



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>

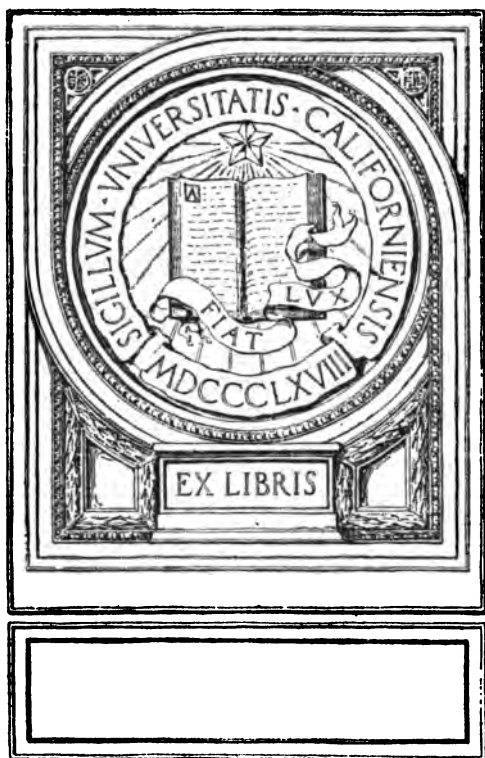
THE OLD FREEDOM
by
FRANCIS NEILSON

NEW YORK L. W. HUEBSCH

UC-NRLF



\$B 266 464



THE OLD FREEDOM

BY FRANCIS NEILSON
HOW DIPLOMATS MAKE WAR

THE OLD FREEDOM

by

FRANCIS NEILSON

Author of "How Diplomats Make War"



THE
OLD
FREEDOM

NEW YORK
B. W. HUEBSCH
MCMXIX

**COPYRIGHT, 1919
BY B. W. HUEBSCH**

HN15
N4

TO THE
PUBLIC

PRINTED IN THE UNITED STATES OF AMERICA

**TO
HELEN**

CONTENTS

CHAPTER	PAGE
I THE CRISIS: LABOUR AND CAPITAL . . .	I
II THE OLD FREEDOM: THE LAND-FREE MAN	9
III THE RISE OF THE RULING CLASS: THE LOSS OF EQUAL RIGHTS	18 ✓
IV THE ORGANIZATION OF THE POLITICAL MEANS: RESTRICTIVE LEGISLATION AND ENCLOSURE OF LAND BY FORCE	34 ✓
V GREAT BRITAIN AND LABOUR	47
VI DEMOCRACIES OF THE PAST	60 ✓
VII GEORGES SOREL AND SYNDICALISM	78
VIII "THE MAN VERSUS THE STATE" AND AMERI- CAN SPENCERIANS	95
IX KARL MARX AND SOCIALISM	110
X FABIANISM VERSUS STATE SOCIALISM . . .	127
XI MUNICIPALIZATION AND NATIONALIZATION .	139
XII DEFINITIONS	154
XIII THE WAY TO FREEDOM	165
BIBLIOGRAPHY	173
APPENDIX	175

CHAPTER I

THE CRISIS: LABOUR AND CAPITAL

"The reason that America was set up was that she might be different from all the nations of the world is this: that the strong could not put the weak to the wall, that the strong could not prevent the weak from entering the race. America stands for opportunity. America stands for a free field and no favour. America stands for a government responsive to the interests of all. And until America recovers those ideals in practice, she will not have the right to hold her head high again amidst the nations as she used to hold it."—WOODROW WILSON, *The New Freedom*, Chap. IX, p. 221.

THAT the Government of this country is face to face with a great crisis no one will deny. The nature of this crisis is dual, economic and political, each having numbers of attendant issues assuming each day a more and more threatening aspect. Yet there was never a time of such serious official indecision. The people themselves are suspicious, dissatisfied and anxious; they feel that another war of another kind is upon them. The journals of the country tell us of nation-wide unrest, but no one tells us of reform. Indeed, it is said on every hand that reformers better keep quiet. So to all dissentients, no matter to which class of society they belong, there goes forth the edict of intolerance, "Thou shalt be suppressed."

[1]

But this is only one of the many instances of the shortsightedness of public men who supported the policy of suppressing the truth of European affairs. It is the same policy which was exercised by the autocracy of Russia, the same which the Governments of Austria and Germany pursued, the policy which at length brought their Governments tumbling to the ground. It is a futile policy. It always was a futile policy, and now sufficient experience of its crass failure is before the eyes of any one that can read, it is criminal folly for Americans to pin their faith to it for another day. No matter how autocratic a government may be, how relentless in censorship and police surveillance, the truth will out. Indeed suppression itself sharpens the intelligence of those who have felt its force.

It is curious to notice the part now played by the daily press with regard to international affairs. Since the censor has relaxed the stringent rules which governed the distribution of news, the thousand and one problems of the nations which were evident to the intelligent Europeans before the war and during all phases of the war, but which were not openly discussed while the conflict raged, are now anybody's property, and daily the papers publish columns of what a few weeks ago the censor would have considered highly inflammable information.

If, therefore, international questions can now be freely discussed, what logical reason is there for suppressing the discussion of domestic problems which affect the whole future of the commonwealth? Now these questions of a domestic nature are usually summed up under these two headings: Labour and Capital, the two active factors in production. Difficult as it is for the majority of men to understand

European problems, it is far more difficult to get an intelligent expression of ideas on labour and capital, though the community be brought daily in contact with the functions of these two factors in production. Regrettable as the assumption may be, there seems less understanding now than in the days when Lincoln and Douglas discussed the question. What does it all mean? Does it really mean the public have lost interest in political economy and the principles of true democracy?

A little time ago at Atlantic City there met together the Reconstruction Congress of the United States Chamber of Commerce. From the scanty reports published in the New York papers there seems to have been one man who was not afraid to come to grips with the very vitals of domestic problems. Mr. Charles M. Schwab told us, "We face a great change in the social structure of this great country, a change, to my mind, ultimately for the better, for the happiness of mankind, a change of true democracy." Here he named the pressing need of the hour. Mr. Schwab said:

"I am one of the men who believe in the fairness of American labour. I am one of the men who believe that the only foundation upon which our prosperity can permanently rest is the economic use of everything, whether it be labour, material, manufactures, or what not. Any organization, labour or capital, that is on a false basis, must fail.

"We started, some twenty years ago, on a series of exploitations that many people called trusts, and there were many such concerns organized that had as their prime motive the artificial idea of either restricting production or increasing the selling price. You have seen them, one after the other, fall and fade away. What has been true of capital will be equally true of labour, and therefore the American labouring man must realize that his perma-

nency and success, and the success of the nation, will depend upon labour conditions and capital conditions that are founded on economic principles first of all.

"Many unjust demands will be made by labour, as they have been made by capital in the past. The thing we have to do is to teach, not patronize; to educate, and to have the American labourer know and feel that he can stand with his head in the air, as you can and as I can, and say with pride, 'I am an American citizen.'"

Here are ideas which should not bear two interpretations. The sentiments of the speech are unique. Coming from a man of vast commercial interests, one who has been in direct contact with many vicissitudes of labour and capital, and latterly passing from an unprecedented experience in organizing a great industrial enterprise for the Government, they are worth the serious consideration of all people. There are points raised in this speech which remind one of those which animated Cobden and Bright eighty years ago when they began their crusade of reform. They were business men of vision, men who were brought daily in contact with the condition of labour. Well might we ask what prompted Mr. Schwab to open up these vital questions at this time, for such a speech indicates that there is something radically wrong, something that must be set right with the least possible delay. He said, "we face a situation today that is exceedingly critical and requires the attention of every astute mind in the country." These are grave words. They are not the utterances of an irresponsible alarmist, for they bear all the evidence of reason and earnest deliberation.

Mr. Schwab has taken the first step. So far so good. The question now is this: is he prepared to

go further? He has opened up the whole economic, political, fiscal, and industrial question. But that is not enough. It is necessary to know what he means by "true democracy," how he defines the term. Does he give it a mere political twist, or is the true democracy he has in mind one having its roots in economic justice? Mr. Schwab himself must know that this question is justifiable. Who should know better than he that under a political democracy of adult suffrage and the purest parliamentary form, all the evils of a false economic system may exist, the profound conflict in which labour and capital have been engaged may persist, and hunger, disease, and deep discontent may affect the lives of millions? Therefore, it is essential that Mr. Schwab come forward and define his terms. Will he say what he means when he speaks of true democracy?

There are other terms which he might define. Let me point out several terms and phrases which must be defined correctly if we are to understand clearly what radical change he would make. He says, "The only foundation upon which our prosperity can permanently rest is the economic use of everything, whether it be labour, material, manufactures, or what not." Is it to be understood by the phrase, "the economic use of everything," that Mr. Schwab means that everything is to be used in an economic manner and put to its full economic use? Again, what does he mean by "everything"? Does he mean all natural resources or the economic use of merely the surface of the earth? Surely he does not mean anything so limited as capital proper: plant, buildings, etc. If in the word "everything" he includes all natural resources, then the sooner everything is put to economic use the better for us

all. And what is his definition of labour? This is all-important. For instance, does he use the term "labour" in the sense used by a trade-unionist? Or does he include in the category of labour — "brain workers," as those who do perform actual manual labour sometimes designate those who belong to the professions.

Though Mr. Schwab cannot lay down general rules for the labour question, he tells us that, "any organization, labour or capital, that is on a false basis, must fail." What might he not do for the safety of the commonwealth if he were to state clearly and distinctly what he means by a "false basis." He certainly suggests that capital has to a great extent been organized on a false basis. He reminds us that, "we started, some twenty years ago, on a series of exploitations that many people called trusts, and there were many such concerns organized that had as their prime motive the artificial idea of either restricting production or increasing the selling price." This statement leads one to imagine that he is conscious of the nature of the false basis on which such concerns were organized. Twenty years ago takes us back to Mr. McKinley and high protection, when exploitation was rampant. But Mr. Schwab says that we have seen these organizations, "one after the other, fall and fade away." This is exceedingly interesting. The face value of the statement is not nearly so precious as the confession which is implied. But what follows is not anything like so clear as the other points in the speech. Mr. Schwab says, "What has been true of capital will be equally true of labour, and therefore the American labouring man must realize that his permanency and success, and the success of the na-

tion, will depend upon labour conditions and capital conditions that are founded on economic principles first of all."

What is the relationship of the American labouring man to the organization of capital, called trusts? What connects them up in Mr. Schwab's mind is obscure, unless we are to infer that there is danger in labour organizing on a false basis. The basis then would be utterly dissimilar to that of the trusts. Certainly exploitation could not very well be used by labour against capital. Perhaps Mr. Schwab may mean that the power to strike gives to labour a power to exploit capital by forcing higher nominal wage and shorter hours from capital. But this is only another way of saying labour desires to pay capital less interest for its use, a perfectly legitimate desire, but one that in practice has seldom brought any benefit to labour. The confusion here ought to be clarified, and few men are in a position so advantageous as Mr. Schwab for applying a keen business instinct and a vast industrial experience to dispersing the deplorable economic fog which has settled on questions of this kind. He should, however, be taken at his word when he says, "the success of the nation will depend upon labour conditions and capital conditions that are founded on economic principles first of all." No one wants a better platform than this.

Economic principles first of all are essential if we are to make any attempt at reform; they are indispensable if we are to insure the future of the commonwealth. This then means free discussion of all the problems which have beset us for a generation or more. Yes, we must teach and educate the American labourer, but who will teach and edu-

cate our capitalists and politicians? Who is likely to command more respect than Mr. Schwab himself? What is required is a man of his commercial experience, his inclination to master the fundamentals of political economy, a man of his resolution, his sagacity, and his courage. Will he take up the task? Will he give labour and capital a lead? To those who are sure to say, why not seek a leader among the tried and respected politicians, the reply is that the undertaking must be kept free from party-prejudice. Besides, who is there in the vortex of party politics that has so freely stated ideas of reform, and who seems to have as clear an understanding of what is wrong? Who talks of "true democracy" and "economic principles" first of all? Who desires "the American labourer to know and feel that he can stand with his head in the air, as you can and as I can, and say with pride, I am an American citizen"?

CHAPTER II

THE OLD FREEDOM: THE LAND-FREE MAN

"We have got to cheer and inspirit our people with the sure prospects of social justice and due reward, with the vision of the open gates of opportunity for all. We have got to set the energy and the initiative of this great people absolutely free, so that the future of America will be greater than the past, so that the pride of America will grow with achievement, so that America will know as she advances from generation to generation that each brood of her sons is greater and more enlightened than that which preceded it, know that she is fulfilling the promise that she has made to mankind."
— WOODROW WILSON, *The New Freedom*, Chap. XII, p. 292.

How far are we prepared to go? Who can tell? So long as so many of us remain in the dark and fear the light this question is difficult to answer. Anyway we may assume that education will undoubtedly make for higher and broader vision. It is futile to expect millenniums for those who have been satisfied so long with the present condition of affairs. But an educated people may not only bring about economic miracles, they may, after the reform of material conditions, desire the best the arts can give to ennoble and restore again the spiritual excellence of the race. But we hear the admonition of the cautious man who cries "make haste slowly." We know the fear the cautious man has gnawing in his

mind. Inured so long in a world which is not so bad a world after all, for the few, he is loath to change because he is conscious that many changes which have been called reforms have made conditions worse. There are numbers of well-intentioned men who feel deeply the economic injustice they see round and about them, men who feel the necessity for reform, but who are haunted with the idea that change might easily make conditions worse; consequently they grieve for what is, and do nothing. A great English statesman once pointed out that this might be the reason for so much indiscreet charity. But charity will not satisfy the demands which are made today.

How far are we prepared to go? Well, there is a demand for a true democracy founded on economic principles first of all. Who wants to go further than that? Let us have such a democracy and leave the millennium to look after itself. No new ideas are necessary for the bringing about of such a state. There have been true democracies. The tradition of the United States goes back to the truest democracy recorded in history. We have the records of it at our hands, and there is no reason why any man should remain in ignorance. Let us take a glance at its fundamentals. The story of the English democracy upon which this of the United States was largely based can be read in small compass in John Richard Green's *A Short History of the English People*, and also in Edward Freeman's *The Growth of the English Constitution*. Let it, however, suffice for our present purpose to give a short description of the principles which the English took with them when they invaded Britain.

"The basis of their society was the free man,

and he never bent to a lord. Land was the accompaniment of full freedom, for the landless man ceased for all practical purposes to be free, though he was no man's slave." Green says, "the bulk of its freemen lived in homesteads, but amongst these were the larger homes of men distinguished among their fellows by noble blood, who were held in an hereditary reverence, and from whom the leaders of the village were chosen in war times, or rulers in time of peace. But the choice was a purely voluntary one, and the man of noble blood enjoyed no legal privilege among his fellows. The holdings of the freemen clustered around a moothill or sacred tree, where the community met from time to time to order its own industry and to frame its own laws. Here plough-land and meadow-land were shared in due lot among the villagers, and field and homestead passed from man to man. Here strife of farmer with farmer was settled according to the 'customs' of the township as its 'elder men' stated them, and the wrong-doer was judged and his fine assessed by the kinsfolk; and here men were chosen to follow headman or ealdorman to hundred, court or war. It is with reverence such as is stirred by the sight of the head-waters of some mighty river that one looks back to these tiny moots, where the men of the village met to order the village life and the village industry, as their descendants, the men of a later England, meet in Parliament at Westminster, to frame laws and do justice for the great empire which has sprung from this little body of farmer-commonwealth in Sleswick." In this glimpse of our early history we cannot fail to notice some differences from present conditions which are truly fundamental. How we have been led to believe

that freedom began its career towards the end of the eighteenth century in France and America is something which will puzzle the historian of the future. Men of a generation ago were taught to regard the early history of England as the source of democratic institutions and look sceptically upon the institutions of intermediate ages. Edward Freeman says, "As the continuity of our national life is to many so hard a lesson to master, so the continuity of our political life, and the way in which we have so often fallen back on the very earliest principles of our race, is a lesson which many find specially hard. But the holders of Liberal principles in modern politics need never shrink from tracing up our political history to its earliest beginnings. As far at least as our race is concerned, freedom is everywhere older than bondage; we may add that toleration is older than intolerance."

Democracy is old, as old as freedom, and it is not in works which record comparatively modern political institutions we can learn to know and understand the fundamentals of a true democracy. Freeman says that the history of England should be studied in the Statute-Book, but it must be in a Statute-Book which begins at no point later than the Dooms of Æthelbert. The struggle of the English people for freedom has not been at any time accompanied by a demand for new laws; indeed, all through that long struggle the demand has been for the restoration of the old laws. It was so at the time of Edward the Confessor, at the time of John, at the time of the Tudors and the Stewarts, at the time of William and Mary, and even in our own day, when, a few years ago the Commons and the Lords were in conflict. And what was the American revo-

lution but a demand coming from English people to govern themselves according to the old law and custom of England? That issue was clouded because some people imagined that George III ruled according to the old law of the English constitution.

Who would turn to the history of Greece to learn what democracy is, when the history of England is a simple matter for any one who can read the language to master? It is like a wondrous fairy tale, that story of the long ago, when we were free and tolerant. In Taine's *History of English Literature* the story is told vividly. The great Frenchman describes us in this way:

Each in his own home, on his land and in his hut, was his own master, upright and free, in no wise restrained or shackled. If the commonweal received anything from him, it was because he gave it. He gave his vote in arms in all great conferences, passed judgment in the assembly, made alliances and wars on his own account, moved from place to place, showing activity and daring. . . . We find women associating with the men, at their feasts, sober and respected. She speaks, and they listen to her; no need for concealing or enslaving her, in order to restrain or retain her. She is a person, and not a thing. The law demands her consent to marriage, surrounds her with guarantees, accords her protection. She can inherit, possess, bequeath, appear in courts of justice, in county assemblies, in the great congress of the elders. Frequently the name of the queen and of several other ladies is inscribed in the proceedings of the Witenagemote. Law and tradition maintain her integrity, as if she were a man, and side by side with men."

Again we find another fundamental difference between the old and the new. In restoring to women their political rights, regarded as an innovation by so many, we are only in our clumsy, ponderous, modern way giving her the place in society which she held twelve centuries ago. Stubbs, the great historian,

has well said, "the roots of the present lie deep in the past, and nothing in the past is dead to the man who would learn how the present comes to be what it is. . . . Without some knowledge of Constitutional History it is absolutely impossible to do justice to the characters and position of the actors in the great drama; absolutely impossible to understand the origin of parties, the development of principles, the growth of nations in spite of parties and in defiance of principles. It alone can teach why it is that in politics good men do not always think alike, that the worst cause has often been illustrated with the most heroic virtue, and that the world owes some of its greatest debts to men from whose very memory it recoils." These glimpses of ancient history are taken to remind us that we had great beginnings, that democracy is very old, older indeed than kingship. Can we learn from the past? I think we can; indeed, the present can teach us very little as to economic and political reformation.

That the old democracy is better than the new, every student of history must agree. Only, however, in some of the cantons of Switzerland is there a remnant left of true democracy. Freeman says, "In the institutions of Uri and Appenzell, and in others of the Swiss Cantons which have never departed from the primeval model, we may see the institutions of our own forefathers, the institutions which were once common to the whole Teutonic race, institutions whose outward form has necessarily passed away from greater states, but which contain the germs out of which every free constitution in the world has grown."

The passing of the old true democracy marks a period in our early history of exceeding importance

for those who wish to study the political changes of modern times. It is difficult to understand how so many historians have missed that point when true democracy passed and power was usurped by a ruling class. Unless one has studied this epoch it is impossible to have clear ideas of the vast political differences there are to be found in similar forms of government. Green describes the change that took place and marks the period in the following lines:

“The principle of personal allegiance embodied in the new nobility tended to widen into a theory of general dependence. From Ælfred’s day it was assumed that no man could exist without a lord. The ravages and the long insecurity of the Danish wars aided to drive the free farmer to seek protection from the thegn. His freehold was surrendered to be received back as a fief, laden with service to its lord. Gradually the ‘lordless man’ became a sort of outlaw in the realm. The free churl sank into the villain, and changed from the freeholder who knew no superior but God and the law, to the tenant bound to do service to his lord, to follow him to the field, to look to his court for justice, and render days of service in his demesne. While he lost his older freedom he gradually lost, too, his share in the government of the state. The life of the earlier English state was gathered up in its folk-moot. There, through its representatives chosen in every hundred-moot, the folk had exercised its own sovereignty in matters of justice as of peace and war; while beside the folk-moot, and acting with it, had stood the Witenagemot, the group of ‘wise men’ gathered to give rede to the king and through him to propose a course of action to the folk. The preliminary discussion rested with the nobler sort, the final decision with all. The clash of arms, the ‘Yea’ or ‘Nay’ of the crowd, were its vote. But when by the union of the lesser realms the folk sank into a portion of a wider state, the folk-moot sank with it; political supremacy passed to the court of the far-off land, and the influence of the people on government came to an end. Nobles indeed could still gather round the king; and while the folk-moot passes out

of political notice, the Witenagemot is heard of more and more as a royal council. It shared in the higher justice, the imposition of taxes, the making of laws, the conclusion of treaties, the control of war, the disposal of public land, the appointment of great officers of state. There were times when it even claimed to elect or depose the king. But with these powers the bulk of the nobles had really less and less to do. The larger the kingdom the greater grew the distance from their homes; and their share in the general deliberations of the realm dwindled to nothing. Practically, the national council shrank into a gathering of the great officers of Church and State with the royal thegns, and the old English democracy passed into an oligarchy of the closest kind. The only relic of the popular character of English government lay at last in the ring of citizens who at London or Winchester gathered round the wise men and shouted their 'Ay' or 'Nay' at the election of a king."

We consider this a point of utmost significance, and it must be fully grasped if we are to have a clear understanding of our political affairs and modern forms of government. We must not let ourselves be misled, diverted from the facts, by some present-day historians when they with some dexterity toss about such terms as monarchy, republic, autocracy, democracy, and bureaucracy. If we keep constantly in mind the true democracy of old and know how it passed away, we shall have little difficulty in deciding the nature of the reform we should undertake. Keep also this important fact in mind: that the English people have experienced pretty nearly all forms of government. Since the Norman conquest they have known all kinds of rulers. No people has such a history, and yet in all their greatest struggles they have asked for nothing new. Stephen Langton, Simon de Monfort, Sir Thomas More, Pym, Hampden, Cobbett, and Cobden, and many others, are names which mark only a few of the periods in Eng-

lish history when the people asked for their old liberty to be restored.

Every demand the people of England made at a time of great crisis was clear cut; they knew what they wanted. So it must be with us; we must have a definite idea of the nature of the change to be made. But no great advance can be made until the ideas intimated by Mr. Schwab are openly discussed anywhere and everywhere. Our universities must open their doors to the Mr. Schwabs, and the faculties and trustees should be especially invited to take part in the discussion.

While science must go always forward, adding to its data and developing its processes, in politics the tendency, with us, must be backward, back to true democracy. Already the signs of dissatisfaction are manifold. Do we not hear serious complaint of a co-opted Cabinet, not in direct touch with Congress? There have recently been many articles published in favour of adopting the English budget system. Frequently now we hear of the necessity of making the executive heads of the Government as directly responsible to the legislature as are the Prime Minister and Cabinet to the Houses of Parliament. Now these are questions which show there is a body of thoughtful people, slowly realizing that our boasted form of democratic Government is not representative, as we have been taught to imagine, but that it is *delegated*; and that which we have learned to call a democracy is as different in intention and procedure from the old democracy established and practised in England as Church practice of Christianity is different from the principles practised by Jesus. Like Christianity, indeed, democracy must work backward to the ideal.

CHAPTER III

THE RISE OF THE RULING CLASS: THE LOSS OF EQUAL RIGHTS

“By tyranny, as we now fight it, we mean control of the law, of legislation and adjudication, by organizations which do not represent the people, by means which are private and selfish. We mean, specifically, the conduct of our affairs and the shaping of our legislation in the interest of special bodies of capital and those who organize their use. We mean the alliance, for this purpose, of political machines with selfish business. We mean the exploitation of the people by legal and political means.”—WOODROW WILSON, *The New Freedom*, Chap. II, p. 49.

ECONOMIC principles first of all. Mr. Schwab in advocating this change is in excellent company. He stands with the greatest of English reformers; his cry rings true to the great democratic tradition, and he is in direct line with the greatest of Americans. He must, however, stand or fall according to his definitions. If his definitions pass the scrutiny of a true economist, and he will lead those who desire a true democracy, we shall enter upon a new era. He makes an appeal to every astute mind to consider the great problems which face us, but we are afraid the appeal may not reach the forces that honestly desire change. There is only one way to reach the mass of men and that is the English way, in free and open

meeting, where questions may be put and answered. What is there to fear? Dare we not test ourselves? Surely the powers that be know the time is fast approaching when we shall all have to come into the open with the candour of Mr. Schwab. If he can make such a speech before a gathering of commercial men formed to consider reconstruction, surely he can carry the same message to those who may not trust the kind of reconstruction the Chambers of Commerce wish to impose. It is just as well to be prepared for emergencies.

Economic principles first of all. If economic principles are to be re-established we must be prepared to take our ideas of what economic principles are, far beyond the confines of the reconstruction committee. Being prepared to take them into the larger field, we must not underestimate the forces which lie in wait. First of all, have we any record of the condition of a people practising economic principles? There are many records of different peoples who experienced little difficulty in producing abundance for themselves. The history of England tells us that there was no such thing as a poor law until the people were driven away from the lands to make room for the sheep. A commission of the year 1517 reports wholesale depopulation, empty houses, churches in ruins, owing to the breakup of the villages and the spread of sheep farming. An act of Parliament of the time refers to "greedy and covetous people who accumulate in their hands such great portions of the lands of the realm from the occupying of the poor husbandman, because of the great profit that cometh from sheep." Sir Thomas More has in his *Utopia* left us a graphic description of the state of England after the people were driven

from the countryside to the town. Poor law legislation was enacted in the days of Elizabeth as a means of coping with the evils of poverty. Is it a mere coincidence that legislation against "cut-throats, thieves, and vagrants" was enacted about the time it was found necessary to introduce palliative measures dealing with the poor?

The period of change from the operation of economic principles is as surely marked in the history of England as the period of change, pointed out above, in the form of government. Though there were short periods after the time of Elizabeth when the people enjoyed comparative abundance, economic principles saw their best days before the time of the Tudors. In what has been called the Golden Age, a peasant could earn enough in fifteen weeks' work to keep himself, wife and children in food for a year. We do know that even the serfs under the feudal system held from twenty to twenty-four acres of land and a hut for which they paid little or nothing in rent: a half-penny per annum or a day's service in spring or at harvest. So far as necessities were concerned the economic position of the serfs in the fourteenth century was vastly superior to that of the free labourer of today. We know from the records of an Oxford college that in the Middle Ages seven men and horses had food and lodging for twenty-seven cents a day. A glance at Thorold Rogers' *Six Centuries of Work and Wages* will convince anybody that with all our boasted civilization we do not begin to compare with the long ago for high wage and short hours. Now the secret lies in that phrase of Mr. Schwab: Economic principles first of all.

Restrictive legislation imposed by a ruling class

against the interests of the many has been the curse of the nations. It brought all the old Empires tumbling to the ground, though, at times of stress, they rang all the changes of socialistic legislation. The socialists of today can teach us nothing which Greece and Rome did not try. Let us, therefore, glance at the methods practised in England, by which the people were reduced to poverty. We shall find on the one hand the landlords depopulating the countryside by enclosing the free lands; and on the other Parliament grinding out restrictive legislation to deal with the landless, homeless hordes created by the landlords' policy of taking away the common land by force.

In 1351 the first Statute of Labourers was imposed upon the people. Under the provisions of this detestable act unemployment was made a penal offence; every employer was given the right to demand the labour of any unemployed man. For the first time in Britain an act of Parliament fixed wages and hours. The people rose against this iniquitous measure and rebellion broke out in many parts of the land. As Green says, "the country was torn with riot and disorder." Then Parliament enacted far sterner measures. The labourer was forbidden to leave his parish in search of better paid employment, on pain of imprisonment and outlawry. The peasantry rose in revolt. Then in 1360 there came one who preached what seemed, to the ruling class, to be a new doctrine. Though a mild form of communism is suggested in the speeches and quaint rhymes of the day, this new doctrine was based on equal rights and equal opportunities. It was John Ball, "a mad priest of Kent," as Froissart calls him, who preached his strange sermons for twenty years

in the Kentish churchyards, where the stout yeomen gathered to hear him. And he preached in defiance of interdict and imprisonment. The peasant revolt of Ball's day is one of the most interesting uprisings of labour that is recorded; the story of it might well be read anew for the profit its economic character would yield to us moderns. Certainly some of the verses circulated at that time contain much more economic truth than we find in many of the verses touching the kindred evils of this day. Green says:

"In the rude jingle of these lines began for England the literature of political controversy: they are the first predecessors of the pamphlets of Milton and of Burke. Rough as they are, they express clearly enough the mingled passions which met in the revolt of the peasants; their longing for a right rule, for plain and simple justice; their scorn of the immorality of the nobles and the infamy of the court; their resentment at the perversion of the law to the cause of oppression. The revolt spread like wildfire over the country; Norfolk and Suffolk, Cambridge and Hertfordshire rose in arms; from Sussex and Surrey the insurrection extended as far as Devon. But the actual outbreak began in Kent, where a tiler killed a tax-collector in vengeance for an outrage on his daughter. The country rose in arms."

The conflict went on for centuries. One hundred years later Hugh Latimer, one of the noblest characters in English history, tells us in one of his sermons that his "father was a yeoman and had no lands of his own, only he had a farm of three or four pounds a year at the utmost, and hereupon he tilled as much as kept half a dozen men. He had walk for one hundred sheep, and my mother milked thirty kine. He kept me to school; or else I had not been able to preach before the King's Majesty now. He married my sisters with five pounds, or twenty nobles apiece; so that he brought them up in

godliness and the fear of God. He kept hospitality for his poor neighbours, and some alms he gave to the poor." That is how it was when Bishop Latimer was a boy. When he became a man the old farm had passed to a new tenant and so great was the economic change in that short time that Latimer tells us the new tenant "is not able to do anything for his prince, nor for his children, nor give a cup of drink to the poor." In that same sermon he gives some quaint advice to the clergy. "If you wish to paint and gild Christ in your Churches, see that before your eyes people die not for lack of meat, drink and clothing."

It may be just as well to point out here that it was not the introduction of machinery which brought about the extraordinary change in Latimer's lifetime. Neither was it the powerful attractions of the towns which enticed the people from the countryside. It was nothing more or less than wilfully destroying the economic principles which had for centuries been the basis of the English system of government. Freedom passed when equal opportunity was denied. The reign of Henry VIII yields us information which is indispensable to an understanding of economic change. The spoliation of the abbeys is undoubtedly the first chapter of the story of the monopolization of natural resources. Some of the greatest land owning families of England rose from obscurity through the enormous grants of church lands made by Henry VIII. It was in his reign that a commission was appointed, in 1517, to inquire into the question of enclosing land by force, but it was not until the time of Queen Anne that enclosure of land was legalized by Parliament. From that time on until this day the economic woe of the peo-

ple has dogged the heels of every British statesman.

There is nothing more discouraging to the reformer who would see the cost of living reduced than to turn back the pages of history and compare what is taking place today with the rise in prices and wages about the beginning of the sixteenth century. I have a balance sheet of a labourer before the vast enclosures and the spread of sheep farming, another balance sheet fifty years later, when that remarkable book entitled, *A Discourse of the Commonweal of the Realm of England*, was published. Let me set out the items of the labourers' budgets of four hundred years ago.

BEFORE THE RISE IN PRICES	AFTER THE RISE IN PRICES
Wages, 7 days at 4d.—2s. 4d.	Wages, 7 days at 6d.—3s. 6d.
Bread, 7 loaves at $\frac{1}{2}$ d.— $3\frac{1}{2}$ d.	Bread, 7 loaves at $1\frac{1}{2}$ d.— $10\frac{1}{2}$ d.
Butter, 1 lb. at 1d.—1d.	Butter, 1 lb. at 3d.
Cheese, 3 lbs. at $\frac{1}{2}$ d.— $1\frac{1}{2}$ d.	Cheese, 3 lbs. at $1\frac{1}{2}$ d.— $4\frac{1}{2}$ d.
Meat, 4 lbs. at $\frac{1}{4}$ d.—1d.	Meat, 4 lbs. at $\frac{3}{4}$ d.—3d.
Beer, 4 gall. at $\frac{1}{2}$ d.—2d.	Beer, 4 gall. at $1\frac{1}{2}$ d.—6d.
Rent and fuel 3d.	Rent and fuel 9 d.
Balance 1s. 4d.	Balance 6d.

What labourer in 1550 would not gladly have exchanged his lot for that of the labourer of 1500. Bernard Gilpin, when he preached before Edward VI in 1552, said:

“Be the poor man's cause never so manifest, the rich shall for money find six or seven Councillors that shall stand with subtleties and sophisms to cloak an evil matter and hide a known truth. Such boldness have the covetous cormorants that now their robberies, extortion and open oppression, have no end or limits. No banks can keep their violence. As for turning poor men out of their holdings, they take it for no offence, but say their land is their own, and they turn them out of their shrouds like mice. Thousands in England, through such, beg now from door to door, which once kept honest houses. Poor men are daily hunted

out of their livings, there is no covert or den can keep them safe. They have such quick smelling hounds, they can lie in London, and turn men out of their farms and tenements, an hundred, some two hundred miles off. When wicked Ahab hunted after Naboth's vineyard he could not, though he were a King, obtain that prey until cursed Jezebel took the matter in hand, so hard a thing it was then to wring a poor man from his father's inheritance, which now a mean man will take in hand."

He was not cast into prison for preaching in that manner, he suffered no injury from the State; indeed, he was given a license as a general preacher for the lifetime of the King. It may perhaps interest those who enjoy church history to set out the official prayer in the church prayerbook of Edward VI.

"We heartily pray Thee to send Thy Holy Spirit into the hearts of them that possess the grounds and pastures of the earth, that they, remembering themselves to be Thy tenants, may not rack or stretch out the rents of their houses or lands, nor yet take unreasonable fines or monies, after the manner of covetous worldlings, but to so let them out that the inhabitants thereof may be able to pay the rents, and to live and assist their families and remember the poor. Give them grace also to consider that they are but strangers and pilgrims in this world, having here no dwelling place but seeking one to come; that they remembering the short continuance of this life, may be content with that which is sufficient, and not to join house to house or land to land to the impoverishment of others, but to so behave themselves in letting their tenements, lands and pastures, that after this life they may be received into everlasting habitations."

According to the estimate of Froude, the historian, Ministers of the Crown and their friends had appropriated estates worth in modern currency about five million sterling, and divided them among themselves; yet it was about this time an act was passed by Parliament against "idleness and vagabondrie."

The Act states that "idleness and vagabondrie is the mother and root of all thefts, robberies, and all evil acts and other mischiefs." In this phrase we notice how far Parliament has departed from its tradition and procedure. The wording of the Statutes of Labourers was straightforward, and cantless, though they were undoubtedly iniquitous measures. Further, the Act states that "the multitude of people given thereto hath always been within this realm very great." This on the face of it is a preposterous misstatement of the facts. If we compare the language of this act with that of Gilpin's sermon and the prayer of Edward VI we cannot fail to notice some extraordinary discrepancies. I wish to point out the way this act is worded and drawn up, because it marks the time when the great conspiracy against the English people was revealed in the legislative acts of the ruling class. For a long period before this enactment many attempts had been made to use the political means — legislation — to the full in the landlord's interest to enslave the people; but it was not, despite the Statutes of Labourers, and the revolts of the peasants in the fourteenth and fifteenth centuries, shown until now to be a fullfledged political conspiracy of a Parliament of landlords determined to wrest all common land from the people and enclose and add it to their estates. They saw then that so long as the serfs were free to use the common fields and wastes, wages must be high and prices low. So long as the peasants had an alternative they would not enter the labour market and compete with one another for jobs and depress wages. This consciousness of the economic power of labour over landlords, so long as the peasants were free to use the land, is most notice-

able in the uprisings of the middle of the sixteenth century. In the year 1549 we see the nobles in strife with the Lord Protector, Somerset. The King and Somerset had striven to avert the dangers of rebellion. Green says: "The agrarian discontent, now heightened by economic changes, woke again in the general disorder. Twenty thousand men gathered round the 'oak of Reformation' near Norwich, and repulsing the royal troops in a desperate engagement renewed the old cries for the removal of evil counsellors, a prohibition of enclosures, and redress for the grievances of the poor. Revolt was stamped out in blood; but the weakness which the Protector had shown in presence of the danger, his tampering with popular demands, and the anger of the nobles at his resolve to enforce the laws against enclosures and evictions, ended in his fall."

Although Sir Thomas More, Gilpin and others realized there was a conspiracy afoot to deprive the peasant of his natural rights, it is, however, to Thorold Rogers, Drummond Professor of Political Economy at Oxford, Professor of Statistics and Economic Science at King's College, London, that we owe a great debt for clearly indicating the conspiracy in his minute and masterly work, entitled, *Six Centuries of Work and Wages*. He says:

"I contend that from 1563 to 1824 a conspiracy, concocted by the law and carried out by parties interested in its success, was entered into to cheat the English workman of his wages, to tie him to the soil, to deprive him of hope, and to degrade him into irremediable poverty. For more than two centuries and a half the English law, and those who administered the law, were engaged in grinding the English workman down to the lowest pittance, in stamping down every oppression or act which indicated any organized

discontent, and in multiplying penalties upon him when he thought of his natural rights."

Here Rogers has put the case clearly. He leaves no doubt as to methods the political means¹ used to exploit the economic means. It was the use of force and restrictive legislation which reduced the English labourer to "irremediable poverty." The legislative and administrative departments worked together to do this wrong. The Act against "idleness and vagabondrie" shows how desperately the political means were used to disinherit and degrade the peasants. The Act states, "that if any man or woman, able to work, should refuse to labour, and live idly for three days, that he or she should be branded with a red hot iron on the breast with the letter V and be adjudged a slave for two years, of any person who should inform against such idler." Then it goes on to direct the master to feed his slave with bread and water and such refuse meat as he should think proper, "and to cause his slave to work by beating, chaining or otherwise, in such work, however vile it be, as he should put him unto." Employers were empowered to sell, bequeath or let out on hire the services of their slaves. Furthermore, the act permitted employers, "to put a ring of iron about the neck, arm or leg of the slaves for the more knowledge of surety of the keeping of him." If a

¹ "There are two fundamentally opposed means whereby man, requiring sustenance, is impelled to obtain the necessary means for satisfying his desires. These are work and robbery, one's own labour and the forcible appropriation of the labour of others. . . . I propose in the following discussion to call one's own labour and the equivalent exchange of one's own labour for the labour of others, the 'economic means' for the satisfaction of needs, while the unrequited appropriation of the labour of others will be called the 'political means.'"

FRANZ OPPENHEIMER, *The State*, Ch. II, a.

slave ran away from his master for fourteen days, he was to be branded on the cheek, and become a slave for life. If he ran away a second time, he, when caught, "was to suffer pains of death, as other felons ought to do." Magistrates had power given them "to look out for persons who had been idle for three days, brand them with a V on the breast, and to send them to the place of their birth, there to be kept in chains or otherwise, in amending highways or other service."

During Elizabeth's reign there was some reform and a slight attempt to force landlords back to tillage and employ more labourers upon the land. An act was passed ordering those in rural districts not "to build any manner of cottage or dwelling unless the same person do assign and lay to the same cottage or building four acres of ground at the least. Any one building a cottage without this provision shall be fined forty shillings for every month the cottage is so continued."

In Elizabeth's time many of the people of the European countries sought in England a refuge from religious tyranny and introduced arts and crafts to the people of their new home. This industrial change marks the beginning of a new epoch in production. During Elizabeth's reign vast improvements were made in agriculture and the foundations of England's maritime power were securely laid in a sea-faring class which has an unbroken record of building and manning the greatest fleets for war and commerce. These changes were bound to affect and better the conditions of labour, but it would be unwise to lose sight for a moment of the principle which had been at work affecting the economic condition of the people since the days of the land-free men. I

hope it has been shown clearly that it was not the introduction of machinery, a sudden change from agricultural to manufacturing pursuits, which caused the economic woe. It was the use of the political means by a ruling class to exploit labour, and long, hundreds of years indeed, before an act of Parliament legalized enclosure of land, the political means acted through restrictive legislation while enclosure was carried on by force. It is so necessary to understand this if we are sincere in our desire to grasp the fundamentals of this problem which we call labour and capital. I emphasize this point especially, for we have reached the period in our history when so many historians and economists lose sight of the great principle of English liberty — equal opportunity. Long before the introduction of the factory system, long before Boulton and Watt perfected their invention, and mill-owners "went steam engine mad," as Boulton said, the people had been driven from the land and vast hordes of them roamed the highways utterly destitute. There was labour enough and hunger enough to satisfy any and every demand the towns could make, and during the Commonwealth we read in the *Moderate Intelligencer* "that hundreds of thousands in England have a livelihood which gives them food in the summer and little or none in the winter; that a third part of the people in most of the parishes stand in need of relief, that thousands of families have no work, and those who have, can earn bread only. There are many thousands near to this city of London who have no other sustenance but beer meals — neither roots or other necessities are they able to buy, and of meal not sufficient." After the time of Cromwell the ruling class began to speed up the political

means and for the next hundred years the work of destroying every vestige of economic liberty was carried on without much protest. The part played in the conspiracy of changing the system of taxation has never been fully appreciated. Richard Cobden, in the House of Commons in 1845, told the story of how the landlords of England had shirked taxation by shifting their burdens to the shoulders of the labouring class. He said:

“Honourable gentlemen claimed the privilege of taxing our bread on account of their peculiar burdens in paying the highway rates and the tithes. Why, the land had borne those burdens before Corn Laws had been thought of. The only peculiar State burden borne by the land was the Land Tax, and I will undertake to show that the mode of levying that tax is fraudulent and evasive, an example of legislative partiality and injustice second only to the Corn Law itself. . . . For a period of 150 years after the Conquest, the whole of the revenue of the country was derived from the land. During the next 150 years it yielded nineteen-twentieths of the revenue — for the next century down to the reign of Richard III it was nine-tenths. During the next seventy years to the time of Mary it fell to about three-fourths. From this time to the end of the Commonwealth, land appeared to have yielded one-half of the revenue. Down to the reign of Anne it was one-fourth. In the reign of George III it was one-sixth. For the first thirty years of his reign the land yielded one-seventh of the revenue. From 1793 to 1816 (during the period of the Land Tax), land contributed one-ninth. From which time to the present (1845) one-twenty-fifth only of the revenue had been derived directly from land. Thus the land which anciently paid the whole of taxation, paid now only a fraction or one-twenty-fifth, notwithstanding the immense increase that had taken place in the value of the rentals. The people had fared better under the despotic monarchs than when the powers of the State had fallen into the hands of a landed oligarchy, who had first exempted themselves from taxation, and next claimed compensation for themselves by a Corn Law for their heavy and peculiar burdens.”

It was at the time of Charles II that indirect taxation took its place in the fiscal system. When Charles came to the throne he compounded the feudal rights of taxation and the authority over all young heirs and heiresses for a sum of £100,000 a year. To meet this sum a general excise was imposed. The system has been in vogue ever since.

It had taken nearly a thousand years to reduce the English labourer to slavery. And it must be remembered that the freeman was the basis of the old Anglo-Saxon society. "Land was the accompaniment of full freedom, for the landless man ceased for all practical purposes to be free, though he was no man's slave." It had been a long fight, a struggle that was not, however, closed. Two centuries after the days of Edward VI, the English labourer was to resume his struggle, with the landed aristocracy using the political means against him, and show in the last conflict how strong was the spirit of English liberty in the souls of English labourers. It endured all the privations and tortures imposed by as unmerciful a system of tyranny as the world has known, until at last it fell beneath the weight of the political machine.

If we earnestly desire the American labourer to know and feel that he can stand with his head in the air and say with pride, "I am an American citizen," we must recognize the evils of a vicious system of long lineage, unaffected by race, clime, or form of government, which defeat his better purpose at every turn. There is no wrong at work in our country which differs from the wrongs of other lands. In what essential respects does the American labourer enjoy better political opportunity than the English or the French labourer? Let it be said fearlessly

that with us, as with every country in Europe, the labour question is an economic one; and because the powers that use the political means to exploit labour desire no fundamental change, the problem is likely to grow much worse before there is a chance of its becoming the least bit better.

Consider for a moment the position of labour here since we became a belligerent. Two jobs for one man, and the urgent demand for labour sent nominal wage up soaring. Now, with the cessation of hostilities Mr. Schwab sounds an alarm; the situation is critical; we must prepare in some way for the period when we shall slip back to the conditions of two men for one job. In the past this did not alarm us particularly; we took the ups and downs of the labour market with perhaps less interest than we gave to the fluctuation of the stock market. Trade depression came in waves, "overproduction" could not be avoided, and so we smugly hoped for what we called the best. It is all different now. Somehow the idea has got into the minds of a good many people that this country is not so large as they thought it was, large in the sense that there was an unlimited supply of fertile land waiting for willing tillers, and that there would always be vast areas of natural resources unclaimed. Let us make quite sure while there is time of the real economic position of the American labourer, and carefully consider the point put by Mr. Schwab, consider it deeply, earnestly, and constantly. For it seems to me that there is a danger of the American labourer being faced with the problems which affected the English labourer four hundred years ago, the problems which he has had to face down to this day.

CHAPTER IV

THE ORGANIZATION OF THE POLITICAL MEANS: RESTRICTIVE LEGISLATION AND ENCLOSURE OF LAND BY FORCE

“I believe, for one, that you cannot tear up ancient rootages and safely plant the tree of liberty in soil which is not native to it. I believe that the ancient traditions of a people are its ballast; you cannot make a *tabula rasa* upon which to write a political programme. You cannot take a new sheet of paper and determine what your life shall be tomorrow. You must knit the new into the old. . . . If I did not believe that to be progressive was to preserve the essentials of our institutions, I for one could not be a progressive.”—WOODROW WILSON, *The New Freedom*, Chap. II, p. 44.

RESTRICTIVE legislation was severe enough, in all conscience, from 1351 to the middle of the sixteenth century; but under Elizabeth there was some relief granted, and the labourer was permitted to go about the country in search of work. So long as he carried a discharge certificate from his last employer, and a testimonial from two house-holders, he was free to look for employment. The laws relating to the care of the poor, enacted during Elizabeth's reign, were for the purpose of relieving distress and want; but, as follows with all legislation of this kind, the Poor Law laid the basis of a system which perpetuated destitution and woe. The shameful

work-house arose out of the poor law legislation of Elizabeth. But something had to be done and, as justice was not to be thought of, the worst form of charity was adopted and became the law of the land. The rich, who had made hunger in a land of plenty, were forced by statute to care for the poor, the consequence of their own deliberate policy of depopulating the countryside. Something had to be done; for, during the reign of Henry VIII, tens of thousands of vagrants and thieves were put to death. Over sixty thousand people, at one time, lay in the horrible gaols of the land, so an act of Parliament stated in 1512. Beggars were whipped, and burned through the tough part of the ear. As many as three and four hundred a year died on the gallows.

The poor law legislation of Elizabeth made every parish liable for the maintenance of the poor; housing and feeding of the lame, old, and blind were obligatory, and all persons using no ordinary or daily trade were put to work. The keepers of the houses of correction were instructed to provide the poor with materials for work and to pay them for their labour.

Shortly after the death of Elizabeth, the landlords, who had been kept in some restraint during her reign, resumed the policy of enclosing the land by force. Then came the rebellion of John Reynolds. The people rose against the enclosures, but the revolt was crushed and thousands were killed. The landless peasantry starved under Cromwell. How terrible the lot of the poor was can be estimated by the number of uprisings of the time. They were frequent. Many rich people sympathized with the rebels. Lieutenant-Colonel John Lilburne

was imprisoned in the Tower for saying, "England is not a free people till the poor that have no land have a free allowance to dig and labour the commons, and so live as comfortably as the landlords that live in their enclosures."

The Poor Law had directed the poor to repair to the place of their birth to be maintained there; but, by the time of the Restoration, the system had borne so heavily upon the rich that they in turn cried out for relief from the poor. Then there was passed, in the reign of Charles II, a most iniquitous piece of legislation, arising out of Elizabeth's Poor Law. In 1662 Parliament made the period of residence needful to obtain a settlement only forty days, and empowered any two justices to remove any new-comer to the parish where he was last legally settled, unless he either rented a tenement of ten pounds a year, or gave such security as the justices deemed sufficient. This Act tied the labourer to the village. He could not move about in search of employment, and he became a serf. The Act coined fortunes for lawyers. Millions have been spent determining to which parish the poor were chargeable.

But this was not enough. The political means had not yet done all its deadly work. Enclosure by act of Parliament still remained, and in Queen Anne's time the hey-day of land enclosure began. The procedure of enclosing land by act of Parliament was simple enough. Usually a great landlord, or his agents, got up a petition, signed by his people on the spot, describing the "ill-condition" of the land common to the people, their "lack of knowledge" of agriculture, the "waste of good ground," etc., and stating the advantages of enclosure. A Parliament of landlords would consider the petition

and give leave to bring in a Bill. The rest was not difficult. The result: the common land added to the landlord's estate — and depopulation. Dr. Slater in his admirable work on *English Peasantry and the Enclosure of Common Fields* shows how over six million acres of fertile land were enclosed under more than four thousand acts of Parliament from 1700 to 1844. All this was done by private Bill legislation — with the probable exception of the two General Enclosure Bills of 1801 and 1844. Thus the political means used the Parliamentary machine to evict the people from their common fields and wastes, and scatter them over the highways of the land, finally to crowd them into the towns to raise a race of slum-dwellers. It took, in this last phase, about a hundred and forty years to finish the job of making a landless people. The conspiracy, begun long before the days of Sir Thomas More, was completed in the days of the "hungry forties."

Let it be remembered that, during the period of enclosure by act of Parliament, coal, iron-ore, clay, etc., sprang suddenly into general use, and that the so-called factory system found the hungry millions already on the spot. It was not the so-called factory system which despoiled the worker, it was land enclosure, for it deprived him of an alternative. Without land he was forced into the labour market to compete with his fellow, and consequently forced wage down to a subsistence level. And a shockingly low level it was for a century or more.

We are told by the Hammonds in their book, *The Village Labourer*, that the

"governing class continued its policy of extinguishing the old village life and all the relationships and interests attached to it, with unsparing and unhesitating hand; and as

its policy progressed, there were displayed all the consequences predicted by its critics. Agriculture was revolutionized; rents leapt up; England seemed to be triumphing over the difficulties of a war with half the world. But it had one great permanent result which the rulers of England ignored. The anchorage of the poor was gone. For enclosure was fatal to three classes: the small farmer, the cottager, and the squatter. To all of these classes their common right was worth more than anything they received in return. . . . For the commons were the patrimony of the poor. The commoner's child, however needy, was born with a spoon in its mouth. He came into a world in which he had a share and a place. The civilization which was now submerged had spelt a sort of independence for the obscure lineage of the village. It had represented, too, the importance of the interest of the community in its soil, and in this aspect also the robbery of the present was less important than the robbery of the future. For one act of confiscation blotted out a principle of permanent value to the State. . . . History has drawn a curtain over those days of exile and suffering, when cottages were pulled down as if by an invader's hand, and families that had lived for centuries in their dales or on their small farms and commons were driven before the torrent, losing

'Estate and house . . . and all their sheep,
A pretty flock, and which for aught I know
Had clothed the Ewbanks for a thousand years.'

Ancient possessions and ancient families disappeared. But the first consequence was not the worst consequence: so far from compensating for this misery, the ultimate result was still more disastrous. The governing class killed by this policy the spirit of a race."

It is strange how little has been said by historians of the English revolution which raged more or less fiercely from 1760 to 1832. The French revolution was perhaps more attractive, more sensational, more sentimental, and brought forth figures which were successful in holding the centre of the stage, therefore historians preferred these events on which to

lavish their literary skill to those far more vital, economically and politically, which were taking place in England. How few Americans know anything about the English revolution which had been in progress centuries before the House of Hanover had been thought of? That terrific struggle of the English people to regain their old liberty, which at the time of the American revolution passed through a period of awful woe and bitter despair? Neglected as that period has been by historians, it is as well to remind the people of this country of it, for I believe the men who made the struggle here, and carried the issue successfully, sprang from the same stock, and were to a great extent animated by the same principles of liberty, as those whose names were buried in the grounds of English jails and the Australasian wastes. The last part of the epic of the English peasant is contained in those two books, called *The Village Labourer*, and *The Town Labourer*, by J. L. Hammond and Barbara Hammond. They say:

“In towns men are face to face with the brutal realities of their lives, unsoftened by any of the assuaging influences of brook and glade and valley. Men and women who work in the fields breathe something of the resignation and peace of Nature; they bear trouble and wrong with a dangerous patience. Discontent moves, but it moves slowly, and whereas storms blow up in the towns, they beat up in the country. That is one reason why the history of the anguish of the English agricultural labourer so rarely breaks into violence. Castlereagh's Select Committee in 1817 rejoiced in the discovery that ‘notwithstanding the alarming progress which has been made in extending disaffection, its success has been confined to the principal manufacturing districts, and that scarcely any of the agricultural population have lent themselves to these violent projects.’ There is a Russian saying that the peasant must ‘be boiled in the factory pot’ before a revolution can succeed. And if it is

difficult in the nature of things to make rural labourers as formidable to their masters as industrial workers, there is another reason why the English labourer rebelled so reluctantly and so tardily against what Sir Spencer Walpole called, in the true spirit of a classical politician, 'his inevitable and hereditary lot.' Village society was constantly losing its best and bravest blood. Banford's description of the poacher who nearly killed a gamekeeper's understrapper in a quarrel in a public-house, and then hearing from Dr. Healey that his man was only stunned, promised the doctor that if there was but one single hare on Lord Suffield's estates, that hare should be in the doctor's stew-pot next Sunday, reminds us of the loss a village suffered when its poachers were snapped up by a game-preserving bench, and tossed to the other side of the world. During the years between Waterloo and the Reform Bill the governing class was decimating the village populations on the principle of the Greek tyrant who flicked off the heads of the tallest blades in his field; the Game laws, summary jurisdiction, special commissions, drove men of spirit and enterprise, the natural leaders of their fellows, from the villages where they might have troubled the peace of their masters. The village Hampdens of that generation sleep on the shores of Botany Bay. Those who blame the supine character of the English labourer forget that his race, before it had quite lost the memories and the habits of the days of its independence and its share in the commons, was passed through this sieve. The scenes we shall describe in the next chapter show that the labourers were capable of great mutual fidelity when once they were driven into rebellion. If they had had a right to defend and a comradeship to foster from the first, Cobbett, who spent his superb strength in a magnificent onslaught on the governing class, might have made of the race whose wrongs he pitied as his own, an army no less resolute and disciplined than the army O'Connell made of the broken peasants of the West."

It is an almost impossible task to do justice to the heroism of the last revolt of the English labourers. It was doomed to defeat, from the first, but out of it all there has come a record of sacrifice and nobility

unsurpassed by the common men of any other country. Here is another page from the Hammonds' work :

" A traveller who wished to compare the condition of the English and the French rural populations in 1830 would have had little else to do than to invert all that had been written on the subject by travellers a century earlier. At the beginning of the eighteenth century England had the prosperous and France the miserable peasantry. But by the beginning of the nineteenth century the French peasant had been set free from the impoverishing and degrading services which had made his lot so intolerable in the eyes of foreign observers; he cultivated his own land, and lived a life, spare, arduous, and exacting but independent. The work of the Revolution had been done so thoroughly in this respect that the Bourbons, when Wellington and the allies lifted them back on to their throne, could not undo it. It is true that the future of the French peasants was a subject of some anxiety to English observers, and that M'Culloch committed himself to the prediction that in half a century, owing to her mass of small owners, France would be the greatest pauper-warren in Europe. If any French peasant was disturbed by this nightmare of the political economy of the time, he had the grim satisfaction of knowing that his position could hardly become worse than the position that the English labourer already occupied. He would have based his conclusion, not on the wild language of revolutionaries, but on the considered statement of those who were so far from meditating revolution that they shrank even from a moderate reform of Parliament. Lord Carnarvon said in one House of Parliament that the English labourer had been reduced to a plight more abject than that of any race in Europe; English landlords reproduced in the other that very parallel between the English labourer and the West Indian negro which had figured so conspicuously in Thelwall's lectures. Thelwall, as Canning reminded him in a savage parody on the Benedicite, got pelted for his pains. Since the days of those lectures all Europe had been overrun by war, and England alone had escaped what Pitt called the liquid fire of Jacobinism. There had followed for Eng-

land fifteen years of healing peace. Yet at the end of all this time the conquerors of Napoleon found themselves in a position which they would have done well to exchange with the position of his victims. The German peasant had been rescued from serfdom; Spain and Italy had at least known a brief spell of less unequal government. The English labourer alone was the poorer; poorer in money, poorer in happiness, poorer in sympathy, and infinitely poorer in horizon and in hope."

This must not be forgotten in a consideration of the uprising of the peasant, that, though his lot was sufficient to drive him to desperate acts, he had the knowledge that he had been deprived of rights to use the earth. The blessings of the free life of village communities might have been within his own experience, or its story imparted to him by his father or grandsire, who had enjoyed equal opportunity, and then afterwards witnessed the effect of enclosure, the depopulation of the countryside. No other peasantry in Europe was in a similar position. It was the English peasantry who, as a people, had enjoyed pure economic and political rights. They fought to regain their lost liberty. Their present woe was aggravated mightily by the sense of injustice done them by the governing classes. In the following the Hammonds give us a glimpse of what took place:

"We have seen that in 1795 and in 1816 there had been serious disturbances in different parts of England. These had been suppressed with a firm hand, but during hard winters sporadic violence and blazing hay-stacks showed from time to time that the fire was still alive under the ashes. The rising of 1830 was far more general and more serious; several counties in the south of England were in a state bordering on insurrection; London was in a panic, and to some at least of those who had tried to forget the price that had been paid for the splendour of the rich, the message of red skies and broken mills and mob diplomacy and

villages in arms sounded like the summons that came to Hernani. The terror of the landowners during those weeks is reflected in such language as that of the Duke of Buckingham, who talked of the country being in the hands of the rebels, or of one of the Barings, who said in the House of Commons that if the disorders went on for three or four days longer they would be beyond the reach of almost any power to control them. This chapter of social history has been overshadowed by the riots that followed the rejection of the Reform Bill. Every one knows about the destruction of the Mansion House at Bristol, and the burning of Nottingham Castle; few know of the destruction of the hated workhouses at Selborne and Headley. The riots at Nottingham and Bristol were a prelude to victory; they were the wild shout of power. If the rising of 1830 had succeeded, and won back for the labourer his lost livelihood, the day when the Headley workhouse was thrown down would be remembered by the poor as the day of the taking of the Bastille. But this rebellion failed, and the men who led that last struggle for the labourer passed into the forgetfulness of death and exile."

The conclusion of this sad story contains a warning we might well take to heart. A great war has just come to an end and the condition of labour here is said to be comparatively prosperous. Since Waterloo we have had a century full of high-sounding phrases in which the words democracy and liberty have stood forth as beacons to guide the mass of men. Now, as then, we are told by some counselors to look forward to an era of peace and prosperity, but there are tremendous domestic problems which must be solved before these blessings can be enjoyed by all. Still, with all the advance in science and invention, the terrible business of disinheriting goes on. It takes another form, but nevertheless, brings the same dire results. Let us not hoodwink ourselves, for "amid the great dis-

trass that followed Waterloo and peace, it was a commonplace of statesmen like Castlereagh and Canning that England was the only happy country in the world, and that so long as the monopoly of their little class was left untouched, her happiness would survive. That class has left bright and ample records of its life in literature, in art, in political traditions, in the display of great orations and debates, in memories of brilliant conversation and sparkling wit; it has left dim and meagre records of the disinherited peasants that are the shadow of its wealth; of the exiled labourers that are the shadow of its pleasures; of the villages sinking in poverty and crime and shame that are the shadow of its power and its pride."

Since the passing of the Reform Bill in 1832 the British people have had an experience in reform unequalled by any people during that period. What have they not tried? Think of the political battles on the franchise. It seems as if the suffrage has not been absent from their programmes and debates for a single year, and yet after the reform of 1832 they had to wait until 1867 for the next extension of the franchise; the agricultural labourer, however, had to wait until 1884 before he got a vote. It has taken all the pressure of a European war to force the Government to abolish the old political disabilities, and grant adult suffrage to the people. A history of painful effort in a cause that was an inheritance! — and now political freedom is once more to be enjoyed by the British people we hope they will have learned this lesson: that, no matter in what circumstances the emergency may arise, it is unwise to abate one jot, or concede to the government in a crisis, any infringement of liberty. It has taken hundreds of

years to regain the principle, and now well might the English people say the price of liberty is eternal vigilance. Evils always come to a people from within, seldom from without. Surely this can be said with certainty of England. The ruling class at home inflicted all the woe of poverty, hunger, disease, ignorance, and superstition. It was no foreign foe who placed the yoke upon the necks of the English peasantry.

There is no period which illustrates so clearly as this how those economic principles, fundamental to English liberty, were ruthlessly destroyed. True, the period we have chosen is only the last phase of centuries of destructive work, but it contains an agglomeration of evil: economic, fiscal, political, social, industrial and legislative such as no other country ever experienced. And it is now an open book to which Americans may turn, if they wish to avoid the legislative pitfalls that have lain in the path of British progress down to this day. It is in misunderstanding the causes which led to that period of industrialism which steam and machinery, the factory system and protection, standing armies and imperialism, perfected, that brought about the modern phase of Socialism, and drove the thought of the masses away from economic principles to those of state control. This fact must be grasped and fully appreciated if there is to be economic reform.

Karl Marx himself knew that he had blundered, but the knowledge came too late, long after he had written his chapter on *The Analysis of Capital*, in which he says, "the circulation of commodities is the starting point of capital." He, however, dealing with colonization, in the final chapter of *Capital*, tells us that "the expropriation of the mass of the

people from the soil forms the basis of the capitalist mode of production," and further on he sees quite clearly that "where land is very cheap and all men are free, where every one who pleases can easily obtain a piece of land for himself, not only is labour very dear, but the difficulty is to obtain combined labour at any price."

Marxian notions of reform, so seldom understood, even by his disciples, have directly and indirectly been the cause of many of the troubles, the antagonisms, the preposterous misunderstandings affecting the economic question called labour and capital. It is an economic question and must be so recognized. So long as the capitalist imagines that labour is his enemy and so long as labour imagines that the capitalist is his enemy, there will be no peace. So long as capitalists, ignorant of the definition and function of capital, oppose labour delegates who are ignorant of the functions of the factors in production, nothing but confusion and friction may be expected. We must then at once get back to economic principles and, as Mr. Schwab says, teach the American labouring man, but at the same time not forget the American employer. He needs instruction and must not be overlooked.

CHAPTER V

GREAT BRITAIN AND LABOUR

"We are upon the eve of a great reconstruction. It calls for creative statesmanship as no age has done since that great age in which we set up the government under which we live, that government which was the admiration of the world until it suffered wrongs to grow up under it which have made many of our own compatriots question the freedom of our institutions and preach revolution against them.—WOODROW WILSON, *The New Freedom*, Chap. I, p. 30.

IN the direction of instructing employed and employer many interesting things are taking place in England, and I would urge Chambers of Commerce in America to take notice. A most extraordinary book has come to me from Huddersfield. It contains two dozen lectures delivered by some of the most prominent British politicians and business men before a Conference made up of men and women from the West Riding of Yorkshire, as shrewd a business community as there is to be found. Mr. Asquith launches the book with these words in the preface, "I am glad to have the opportunity, afforded by the publication of this volume, of testifying to the value of the conferences which have been instituted for the purpose of examining, in the light of Democratic Principles, the many and complex social problems which will present themselves to our

fellow-countrymen for solution when conditions of peace are once more restored to us. . . . I am confident that when the time arrives they (the conferences) will be found to have contributed materially to the formation of a sane and instructed public opinion in relation to the Work of Reconstruction after the War.”¹

A labourman dealt with the questions of the rights and responsibilities of labour in industry, and a capitalist with the rights and responsibilities of capital in industry. Mr. Vivian, for labour, stated the question broadly in the following:

“What are the more important aspects of the industrial problem from the workers’ point of view? There is the question of the status of labour in industry, the remunera-

¹ A list of some of the names of the personages who spoke before the conference will give a fair idea of the way the British people are tackling the question of reconstruction:

The Rt. Hon. Dr. Addison, M.P., Minister of Reconstruction.

The Rt. Hon. Walter Runciman, M.P.

Sir Hugh Bell, Bart.

The Rt. Hon. J. H. Whitley, M.P., Chairman of the Whitley Commission.

Colonel Godfrey Collins, M.P., C.M.G.

The Rt. Hon. Herbert Samuel, M.P.

The Rt. Hon. Sir Alfred Mond, Bart., M.P., First Commissioner of Works.

The Rt. Hon. Lord Leverhulme.

Principal L. P. Jacks, D.D.

The Rt. Hon. Sir W. H. Dickinson, M.P.

The Rt. Hon. H. A. L. Fisher, M.P., President of the Board of Education.

Mr. Arthur Sherwell, M.P.

Mr. J. M. Hogge, M.P.

Mr. John Dillon, M.P.

Mr. H. G. Chancellor, M.P.

The Rt. Hon. J. M. Robertson, M.P.

Mrs. Henry Fawcett.

A representative group, containing members of the War Cabinet and pre-War Cabinet, captains of industry, lawyers and economists, discussed the great question of reconstruction. Labour was represented by Mr. Henry Vivian, and Mr. George Nicholls, both ex-Members of Parliament.

tion of labour in terms of money or share of product, and the conditions affecting labour under which trade and industry is carried on. I was glad to note in the Whitley Committee's Report a recommendation that labour should be treated more as a partner than as a servant in industry. Our task is to translate this recommendation into practice, having regard to the endless variety of conditions in our industrial life. I am aware that the recommendation does not necessarily imply a full acceptance of what is called co-partnership in its more technical sense. It rather suggests that in the discussion of the issues which arise between employer and employed the spirit of partnership should prevail rather than the spirit of superior and inferior. To some this may not be important. I think it is. In human affairs the spirit, the attitude of mind is often a determining factor in coming to an equitable conclusion over a dispute on material things. That the status of labour should be that of partner, and not of inferior, is a right that Labour must have conceded to it if we are to make headway. On the other hand, as Mazzini taught, there is no right without its corresponding duty, and so if labour is to be received in the industrial council room in the spirit of partnership and in the councils of the State it must take its share of the responsibility for the decisions, having regard to the nation's obligations and the public welfare."

The position of the capitalist was stated by Sir Hugh Bell as follows:

"By way of illustration of what happens when we entrust to the State duties of the kind of which we spoke a few moments ago the following examples may serve. Shortly before the war broke out the coal trade of the kingdom was put under statutory obligation to pay a minimum wage, a measure of which the best thing to be said is that it has proved thoroughly unsatisfactory to both parties. It has not given the men what they expected, and I for one foresaw this. It has greatly increased the difficulty which the coalowners experience in managing their business, and has added unduly to the cost of getting coal. I won't trouble you with more than a passing reference to the great railway strike, which ended by the railway companies

being called upon to pay more wages and then with great difficulty obtaining permission to charge more dues; nor will I dwell on the far-reaching effect of those transactions. I have mentioned these cases because they serve to illustrate the difficulty in which the capitalist is put to discharge the responsibility under which he lies to make his capital fully efficient. He has yet another. The men he employs have not yet learned that their true interest lies in a maximum of production. Partly because they are misled by politicians and others, partly because such teachings jump with their own inclinations, they think that by producing less they will earn more. Their employers are not free from the same reproach. It must often occur to the impartial onlooker that the employer who is condemning his men for idleness and lost time would do well to take the beam out of his own eye before he dealt with the mote in his brother's. Be this as it may, one of the capitalist's greatest difficulties is to persuade the men in his employment that regular and earnest work is the only source from which additional remuneration can come. Let me not be misunderstood. I want no wage slavery. I am not wedded to an eight hours day. I desire the man to have reasonable leisure to enjoy the fruits of his labour. But I want him in return for his wage to do an honest and strenuous week's work, and to bear in mind that the only source from which his wage can come is the sale of the commodity he produces. Perhaps the greatest responsibility under which the capitalist lies is to convince labour of the truth of all this. I could — you all could — give instance after instance where the workman's failure to appreciate this has been the cause of immense loss to the employer, to the men, to the country. The ill is easy to state, the remedy more hard to find than any one not familiar with the complexities of industry could think possible. Of one thing I am sure, it does not lie in the intervention of the State, still less in help from the public purse. We who are engaged in industry, capitalists and labourers alike, must find the remedy ourselves. To do so we must bring to the study willing and open minds. Each must try to see the other side of the shield and to appreciate the difficulties of his co-workers as he expects them to appreciate his. If this is brought about, the solu-

tion of all the difficulties is at hand, and the conclusion to which we come this afternoon is that just as we found that our rights did not greatly differ, so we now find that our responsibilities are not far from being identical."

The important point advanced by labour is that the status of labour should be that of partner and not of inferior. This is the recommendation of the interim report of the Whitley Committee set up by the Government, "to make and consider suggestions for securing a permanent improvement in the relations between employer and workmen." But the capitalist does not look to State intervention nor help from the public purse to solve the difficulties. Sir Hugh Bell says, "We who are engaged in industry, capitalists and labourers alike, must find the remedy ourselves." Whether the recommendations of the Whitley Commission will find general acceptance only time can tell. In the first place, there are many prejudices of capitalists and trade-unionists to be overcome. In the second, there is to be considered the old suspicion that it may not be to the advantage of labour to sit in council with capital at a time of industrial crisis. Anyway, the recommendation of the committee is particularly interesting to Americans.¹

¹ Here are the salient features of the report:

"6. Many complicated problems have arisen during the war which have a bearing both on employers and workpeople, and may affect the relations between them. It is clear that industrial conditions will need careful handling if grave difficulties and strained relations are to be avoided after the war has ended. The precise nature of the problems to be faced naturally varies from industry to industry, and even from branch to branch within the same industry. Their treatment consequently will need an intimate knowledge of the facts and circumstances of each trade, and such knowledge is to be found only among those directly connected with the trade.

"7. With a view to providing means for carrying out the policy outlined above, we recommend that his Majesty's Government

One has only to look at clause No. 8 of the report to see how complicated the difficulty is in deciding the question of chairman and chairmen. But after all, it does seem such an eternal waste of time trying to settle this problem by tinkering and palliatives. In Great Britain there is nothing easier than getting together a Commission composed of philanthropists, capitalists, and trade-unionists for the purpose of considering any problem under the sun. They will meet regularly, take evidence, consider and report, but no one of political importance outside the com-

should propose without delay to the various associations of employers and employed the formation of Joint Standing Industrial Councils in the several industries, where they do not already exist, composed of representatives of employers and employed, regard being paid to the various sections of the industry and the various classes of labour engaged.

"8. The appointment of a Chairman or Chairmen should, we think, be left to the Council who may decide that these should be—

- (1) A Chairman for each side of Council;
- (2) A Chairman and Vice-Chairman selected from the members of the Council (one from each side of the Council);
- (3) A Chairman chosen by the Council from independent persons outside the industry; or
- (4) A Chairman nominated by such person or authority as the Council may determine or, failing agreement, by the Government.

"9. The Council should meet at regular and frequent intervals.

"10. The objects to which the consideration of the Councils should be directed should be appropriate matters affecting the several industries and particularly the establishment of a closer co-operation between employers and employed. Questions connected with demobilization will call for early attention.

"11. One of the chief factors in the problem, as it at first presents itself, consists of the guarantees given by the Government, with Parliamentary sanction, and the various undertakings entered into by employers, to restore the Trade Union rules and customs suspended during the war. While this does not mean that all the lessons learnt during the war should be ignored, it does mean that the definite co-operation and acquiescence by both employers and employed must be a condition of any setting aside of these guarantees or undertakings, and that, if new arrangements are to be reached, in themselves more satisfactory to all parties but not in strict accordance with the guarantees, they must be the joint work of employers and employed."

mittee seems to take any practical interest in its recommendations. Consider the attitude of labour to the Whitley Committee and its report. In a report on reconstruction by the sub-committee of the British Labour party, which seems to have struck the imagination of some liberal bodies in the United States, we are told,

“We need to beware of patchwork. The view of the Labour party is that what has to be reconstructed after the war is not this or that government department, or this or that piece of social machinery; but, so far as Britain is concerned, society itself. The individual worker, or for that matter the individual statesman, immersed in daily routine—like the individual soldier in a battle—easily fails to understand the magnitude and far-reaching importance of what is taking place around him.”

There is to be no patchwork. Labour will have none of the scraps of reform which have occupied the attention of Parliament since 1832. That the change is to be a vast one we can gather from the following statement from Labour's manifesto:

“The individualistic system of capitalist production, based on the private ownership and competitive administration of land and capital, with its reckless ‘profiteering’ and wage-slavery; with its glorification of the unhampered struggle for the means of life and its hypocritical pretence of the ‘survival of the fittest’; with the monstrous inequality of circumstances which it produces, and the degradation and brutalization, both moral and spiritual, resulting therefrom, may, we hope, indeed have received a death blow. With it must go the political system and ideas in which it naturally found expression. We of the Labour party, whether in opposition or in due time called upon to form an administration, will certainly lend no hand to its revival. On the contrary, we shall do our utmost to see that it is buried with the millions whom it has done to death. If we in Britain are to escape from the decay of civilization

itself, we must ensure that what is presently to be built up is a new social order, based not on fighting but on fraternity — not on the competitive struggle for the means of bare life, but on a deliberately planned co-operation in production and distribution for the benefit of all who participate by hand or by brain — not on the utmost possible inequality of riches, but on a systematic approach towards a healthy equality of material circumstances for every person born into the world — not on an enforced dominion over subject nations, subject races, subject colonies, subject classes, or a subject sex, but, in industry as well as in government, on that equal freedom, that general consciousness of consent, and that widest possible participation in power, both economic and political, which is characteristic of democracy."

These are lofty notions and seem particularly attractive. There is nothing the matter with their face value. But what is to be the process of change? How is society to be reformed? The manifesto tells us that the four reforms which labour considers fundamental are as follows:

- (a) The Universal Enforcement of the National Minimum;
- (b) The Democratic Control of Industry;
- (c) The Revolution in National Finance; and
- (d) The Surplus Wealth for the Common Good.

The minimum wage is to be not less than 30s. per week, but the sub-committee say this minimum will need revision according to the level of prices. This is a sign of grace, but as there is no suggestion to control prices we imagine the committee concerned with the revision will be kept exceedingly busy. But trade-union rules are to be restored. The population in rural districts, mining villages, and town slums, are to be rehoused at a cost of three hundred millions sterling. The working hours of adult labour are to be reduced to forty-eight per week with-

out the reduction of the standard rate of wages. There is to be democratic control of industry. The progressive elimination of the private capitalist from the control of industry is demanded and the labour party seeks a genuinely scientific reorganization of the nation's industry, no longer deflected by individual profiteering, on the basis of the common ownership of the means of production; the equitable sharing of the proceeds among all who participate in any capacity and only among these." Then everything is to be nationalized. The nation's land, "as suitable opportunities occur," railways, mines and the production of electrical power must be nationalized immediately. But these are not all the services to be taken under State control; harbours and roads, posts and telegraphs, great lines of steamers, railways and canals, all to be worked for the common good. Other main industries, especially those now becoming monopolized, should be nationalized as opportunity offers. There is to be a revolution in national finance. The manifesto says:

"We definitely repudiate all proposals for a protective tariff, in whatever specious guise they may be cloaked, as a device for burdening the consumer with unnecessarily enhanced prices, to the profit of the capitalist employer or landed proprietor, who avowedly expects his profit or rent to be increased thereby. We shall strenuously oppose any taxation, of whatever kind, which would increase the price of food or of any other necessary of life. We hold that indirect taxation on commodities, whether by customs or excise, should be strictly limited to luxuries; and concentrated principally on those of which it is socially desirable that the consumption should be actually discouraged. We are at one with the manufacturer, the farmer, and the trader in objecting to taxes interfering with production or

commerce, or hampering transport and communications. In all these matters — once more in contrast with the other political parties, and by no means in the interests of the wage-earners alone — the Labour party demands that the very definite teachings of economic science should no longer be disregarded as they have been in the past."

Although labour demands heavier imposts on incomes, assessment by families instead of by individual persons, the raising of the present unduly low minimum income assessable to the tax, raising the excess profits tax, taxing land values, it is recognized that all this will not suffice. Then the sub-committee launches its financial thunderbolt:

"It will be imperative at the earliest possible moment to free the nation from at any rate the greater part of its new load of interest bearing debt for loans which ought to have been levied as taxation; and the Labour party stands for a special capital levy to pay off, if not the whole, a very substantial part of the entire national debt — a capital levy chargeable like the death duties on all property, but (in order to secure approximate equality of sacrifice) with exemption of the smallest savings, and for the rest at rates very steeply graduated, so as to take only a small contribution from the little people and a very much larger percentage from the millionaires."

These are some of the suggestions put forward by the Labour party, and they are undoubtedly signs of the time. It would be madness to disregard them. Industrial unrest had been gathering social and political force for years before this war broke out. In Britain it had reached such a pitch by the spring of 1914 that it threatened the political and industrial systems then in vogue. But the war has given labour an opportunity of seeing many of their socialistic notions put into practice by politicians to whom the term Socialism was formerly anathema. They

have seen their schemes of nationalization adopted in principle by government, and they say, not unreasonably, if it be good to nationalize and control industry in the emergencies of war, why should any one oppose the scheme for good and all? The old reply to this will not do. We cannot put them off by calling them utopian dreamers. War experience has knocked the bottom out of that excuse. Even in America the period of State control we have endured has been sufficient to teach labour and socialists that with some modification nationalization and control of industry may, perhaps, be established for the good of the community. But no one stops in advocating these schemes to consider the altogether exceptional circumstances in which these schemes have been utilized. Does any one imagine, after a moment's sober reflection, that the community would benefit from these schemes, even with modification and certain readjustments, when economic forces are again at work and the nations compete with one another for the old and the new markets? It is one thing to consider these things from a national standpoint; it is quite another when we have to consider them from the international. It must be remembered that during this war *at least half the population in Europe have not participated in the international industrial struggle*; and the effect of this on the competition for markets has by a great many people been overlooked or ignored. It is high time for us to begin to consider it again. That nationalization has worked comparatively well in some countries cannot be denied, for instance, railways, canals and forests in Germany, but it does not follow that any and every country is adapted politically and socially for nationalization. If people would

try to understand how closely connected German schemes of nationalization are with her military and bureaucratic system they would find reasons enough to make them pause. Then again the communal success of nationalization depends very largely for its smooth working on the way nationalization is brought about. To nationalize the land and plant of a great industry, as has been done during this war, seems simple enough, but the time has been far too short to judge of its success as an established part of government control. Then, in this country the experience of labour in connection with nationalization has been singularly free of any of the disabilities which British labour has suffered. Here it has been a period of wage prosperity. Apart from the men who have been to the front our labour forces have experienced very few of the sufferings of European labour. Whether the problems and lessons of the war as they are known in Europe will be brought home to the industrial forces of this country, time alone can tell. But as things are, we are not yet in a position to judge wisely what bearing on the future our short experience in nationalization will have. Still, professional and amateur reformers write with a predilection for some state control, many basing their ideas, not so much on conditions in America, as upon the recommendation of the manifesto of the British Labour Party. Here there is a great danger, both to labour and capital, in leaving investigation of industrial conditions to political amateurs, men who have had little or no direct experience in the industries they are called upon by government to investigate. This is one of the dangers of the American system. And it must be obvious to the impartial observer that we

in America have neither the personnel nor the methods of procedure for investigating industrial conditions such as they have in Britain. Perhaps the day is come when our captains of industry and intelligent labour leaders will recognize the stupendous error they have made in leaving what are called politics, legislation and administration, to men who make political capital of party issues, seldom clearly defined, and who waste the nation's time and money only too often in mere personal and parochial affairs.

CHAPTER VI

DEMOCRACIES OF THE PAST

"We are going to climb the slow road until it reaches some upland where the air is fresher, where the whole talk of mere politicians is stilled, where men can look in each other's faces and see that there is nothing to conceal, that all they have to talk about they are willing to talk about in the open and talk about with each other; and whence, looking back over the road, we shall see at last that we have fulfilled our promise to mankind. We had said to all the world, 'America was created to break every kind of monopoly, and to set men free, upon a footing of equality, upon a footing of opportunity, to match their brains and their energies. . . .'"—WOODROW WILSON, *The New Freedom*, Chap II, p. 54.

THE story is told of an old Tory squire whose vicar, during an election in England, urged him not to let the church school-room be used by a certain socialist candidate. The vicar said that he was very much afraid that the villagers would hear what might not be good for them. The squire's reply was, "Please yourself about letting the room, but I don't give a damn what they say so long as they don't know what they want." Not all Tory squires are, however, so wise; indeed a great many imagine political agitators as a rule really know what they want. Still it does seem that the old squire hit the nail on the head, and when we read manifestoes such

as that of the subcommittee of the British Labour party, we are inclined to think that there is too much demanded where far less would be quite enough. Now the reason why Mr. Schwab has set me thinking about the future of the commonwealth is because he has gone straight to the root of our industrial troubles. Economic principles first of all, he demands. This is sufficient, and labour and capital need look no further. But the ground must be cleared if we are to take steps in that direction. Let us see where we are.

In this war which has been fought to save democracy we have been too busy or too timid to ask which brand of democracy it is that is to be saved. I may mention four that are alike in some particulars, but totally dissimilar in others, and the four are: British democracy, Swiss democracy, French democracy, and American democracy. Of these the purist would say that the Swiss is the best brand, and that the others fall by a great way short of any of the well known definitions of the term. But it may be as well to count Switzerland out in a consideration of this question; for her democracy didn't need saving, and it is most unlikely that those who were so deeply concerned about the fate of democracy would ever dream of imposing the Swiss brand upon any of the first class Powers. To be quite frank the term democracy, as it has been used during the war, may mean anything but democracy. Still the term must have had at one time a precise definition, because it has been used by writers who have given the subject very serious consideration. It is really worth while our going back to the days when in the experimental stages of government many different forms were tested. We now know something

about the democracies of early Greece. The Greeks began with a system that did not permit the land to be held by individuals; indeed it could not be alienated. There is abundant evidence of this, and in this respect the primitive Greeks differ not from all other Aryan communities. It is, however, difficult to say just when private ownership began and the primitive system was broken up. Anyway, it is pretty clear that the land question in Greece and Rome, after private ownership destroyed the communal system, became a burning question with the people, one which even the glamour of successful war could not entirely extinguish. There is a vivid picture, drawn by Romaine Patterson, in his work *The Nemesis of Nations*, of Greece in the intermediate stage, between that of the passing of the communal land system and the advent of Solon. Mr. Patterson says:

“A social system probably in some of its phases as rigid and as sterile as the Brahmanism of Hindustan had produced in Attica the same results. The land was overwhelmed by debt, and a mortgage pillar stood upon every freehold. Moreover, by the law of Dracon, every debtor was the slave of his creditor until the debt was paid. Many freemen had thus lost their liberty, and the entire community was in danger of becoming the prey of a despot. For wealth was the only guarantee of liberty and the source of political power. It was precisely in such a condition of things that the tyrant's best chance lay. Thus the history of Athens opens with a picture of economic misery which is in the strangest contrast with the splendour which she afterwards attained. Aristotle informs us that before Solon's day the State was governed by a few powerful families, and that the poorer class were in absolute slavery to the rich. We shall notice later the curious contradiction in the writings of some Greek philosophers, who, although they condemned the enslavement of freemen, re-

garded with indifference the forced labour of those whom they declared were not by nature free. Meantime, we are to understand that Aristotle is drawing a picture of the gradual subjection of Attic freemen. He lays his finger upon that cause of social trouble which is still active in modern States, for he ascribes the misery of the people to the fact that the whole land was in the hands of a few persons. He then gives a vivid description of the eviction and the enslavement of tenants unable to pay their rents. Their bodies were mortgaged for the liquidation of debt, and sometimes the tenant was compelled to sell not merely himself but his wife and children as slaves to his landlord. It was amidst this scene of universal squalor that Solon, a member of the aristocracy, appeared as the champion of the people."

The reforms of Solon were short lived, and Greece before the coming of Pericles passed through a period of serious crises. It was Pericles who defined democracy as a government of the whole people, as opposed to oligarchy, the government of only a part of the people. Now this is a period when, if we take the trouble to look closely at the reforms of Pericles, we can see how historians have misunderstood the meaning of the term democracy. The Athenian constitution has been described as a democracy, but the truth is it was in practice as near state socialism as can be. Patterson says it was self-government gone mad. It was indeed the beginning of the end. Her days were numbered, her zenith reached, and though, as Pericles said, "we throw open our city to the world, and never by alien acts exclude foreigners," still the "living implements," as Aristotle calls slaves, brought the fabric of her greatness down to crumble in the dust. If ever a people learned the lesson that political liberty will not save a state, it was surely the people of Athens. But at best her political liberty was en-

joyed by scarcely half of her people. It must be remembered that the industries were chiefly in the hands of slaves, and that the Athenian fleet was manned by slaves, and slaves were liable to military service. The idle rich in those days were idle.

To quote Patterson again:

"The Athenians were familiar with every form of government, and were restless under all of them. After the early mobile had transformed itself into an immobile community, it was destined to know every phase of a political problem which is not yet solved. When shepherds had become husbandmen, and husbandmen had become traders, the tribal communism had long given way to an individualism which became symbolized in a monarchy tending to become absolute. But the monarchy was checked, and at length destroyed, by an aristocracy which in turn suffered numerous transformations, and at last gave way before a democracy. But the democracy was no more stable than its predecessors, and then came socialism and disintegration and the return to a tyranny. In the extreme democratic state of her political evolution Athens had thus almost reached the point whence she and other Greek communities had started. But the difference between the earlier and the later communism consisted, first, in the social fact that in the primitive period there were no slaves, and, second, in the political fact that a system which was adapted to a small clan became impracticable when applied to an artificial society. . . . The ethics of Athenian history are strangely confused, for the moral ideas expressed in the theories of her thinkers are in violent contradiction with the theory and practice of the State. The Athenians possess words for Liberty, Equality, and even for Fraternity, but all those great doctrines were evolved at the expense of slaves. The political struggle was, therefore, artificial and insincere. It has been said by a great scholar that many writers foolishly write of Athens as if it were a Lost Paradise. The truth is that behind her façade we discover an industrial tyranny and workshops full of slaves. When it is remembered that without their labour the leisure which went to create Athenian art, literature, and philosophy would not have been possible, we can-

not resist the conclusion that the culture of Athens was bought at too high a price."

The philosophers of the nineteenth century frequently pointed out to us the sameness they found in the study of wars. Will historians of the future be occupied with the task of discovering for us the sameness in the history of nations? When they go to work with a knowledge of economic fundamentals, historians will find the history of any people a simple matter to interpret. I have quoted Mr. Patterson's essay on Greece. In now quoting from his essay on Rome the sameness I referred to above will be noticed:

"An aristocracy sleeps in every democracy. And it is one of the ironies of history that the people begin to look with suspicion on the men whom they have uplifted, because in a servant they begin to find a ruler. Thus the acts of one prominent character who owes his position to election may alter the whole destiny of a people and set the collective will at naught. . . . As a disintegrating influence we should observe the tendency of property, and especially of property in land, to become vested in a few families; and here we may repeat the bold generalization of Pliny that the great estates (*latifundia*) were the cause of the ruin of Italy and the provinces. In contrast with all other things, wealth gravitates upwards. We can hardly measure the amount of suffering endured by the ancient free poor, but it must have been great before it drove them into the ranks of the slaves. In a financial situation which was always precarious and confused even the rich incurred risks, for we hear that during the Empire taxation was enforced by torture. Again, as a sign of the national stagnation we may note that there was a return to the Asiatic system of hereditary trade and professions. A man's son was compelled to follow his father's profession, and he was forbidden to marry outside of his guild, so that we find in Rome a survival of part of the social scheme portrayed in the Laws of Manu. Amid such sterilizing tendencies Italy ceased to be pro-

ductive, and depended for her food supply on the labour of thousands of slaves in the harvest fields of Africa and Sicily. And in the city a worthless population waited like beggars on the imperial alms in the form of wheat, pork, oil, and wine. Like Athens, Rome had become the parasite of her subject peoples. Like Athens, too, she suffered from a deficit in men. The birth-rate steadily declined both during the Republic and the Empire. Lastly, and worst of all, she lost the art in which she had excelled — the great art of government. A strange decay of the faculty of administration had occurred since Virgil wrote that it was Rome's mission to spare the vanquished and to humble the proud. The vanquished had not been spared. The provinces were milked to death. Rome had accepted the fascinating and perilous gift of imperialism, but she had not fulfilled all its obligations. She built roads, bridges, and aqueducts throughout her provinces, but it was by the unpaid labour of provincial slaves. Each city and each village mimicked her, and reproduced even her amphitheatres, so that she extended the good and the evil of her system throughout the world. The exactions of the provincial tax-gatherers grew more intolerable. Although it is true that, long dazzled by her prestige, the provinces clung to her till she fell, and even attacked her enemies, it is also true that they had ceased to trust her. In the fifth century they expected and they received from Goths and Huns more justice than Rome could give them. Roman citizenship, which used to be so great a prize, began to be repudiated; men feared to come under the tyranny of Roman governors, and no longer desired to be called by the Roman name. A Roman subject in the camp of Attila told a Roman envoy that he would not now exchange the government of the Huns for the government of the Romans."

It is always the same ulcer that undermines the strength of the body politic. Every state passes from its primitive state of freedom and democracy by the same methods — those of private ownership being made easy by restrictive laws, thence on to the complex life of a military state which must subsist on conquest. The basis of the great complex civil-

ization was slavery, and in the ancient empires no matter how politicians juggled with political labels, whatever reforms were carried out by the opportunists, these states passed through the same struggles, and came to the same end:

"When we remember that in every State the conditions were the same, and that wars were waged for the purpose of maintaining those conditions, the history of antiquity appears to be the history of centuries of stagnation and waste. Behind the glittering front of ancient civilization we discover a dark organization of social life, in which duties were unaccompanied by rights. Babylon, Egypt, Phoenicia, Greece, and Rome grew great by means of industrial systems which created wealth but involved the ruin of the workmen. What is the use of knowing that the Athenian fleet defeated the Persians if we do not know that without the incessant labour of the slaves in the Athenian silver mines there would have been no Athenian fleet at all? Accurate lists of kings, archons, and strategoi, consuls, pro-consuls, and tribunes, will never enable us to see the unrest of those vanished States. Even their art, their literature, and their religion are lame guides, because modes of thought and of expression change and beliefs die. But labour lives. The politics of one era are scarcely intelligible to the next, but it is the continuity of human work which binds ages together. That, at least, is hereditary where all else fluctuates. When we remember that the economic systems of all ancient States were organized upon the same basis, and that in the hope of making that basis permanent ceaseless activity was kept up in the gold mines of Egypt, in the copper mines of Cyprus and Sinai, in the iron, salt, and sulphur mines of Persia, in European and Asiatic tin, lead, and silver mines, in Caucasian naphtha pits and ruby mines of Bactria, in the quarries of Numidia and Greece, and in the vast brickfields of Rome and Babylon, we are almost able to descry the dim masses of chained men whose labour was the creative force of antiquity. Those States appear to have been incapable of profiting by each other's social and economic errors. Each of them reproduced, even in detail, the same scheme, and they all died bankrupt."

Whenever I look back to the systems of government of ancient times and note how similar have been the methods of governing, how like the underlying motives of the powerful in all ages, I cannot help being impressed with the singular lack of use that has been made by moderns of the political experiences of empires that have passed away. Let me here emphasize the fact that there is nothing new in the problems we have to solve. I assert the past contains the tests and trials of every form and phase of government the world is concerned with today. As an instance of how little the lesson of history is appreciated we might refer to the work of a historian of great repute. W. E. H. Lecky in *Democracy and Liberty* says:

“One of the great divisions of politics in our day is coming to be whether, at the last resort, the world should be governed by its ignorance or by its intelligence. According to the one party, the preponderating power should be with education and property. According to the other, the ultimate source of power, the supreme right of appeal and of control, belongs legitimately to the majority of the nation told by the head—or, in other words, to the poorest, the most ignorant, the most incapable, who are necessarily the most numerous. . . . It is a theory which assuredly reverses all the past experiences of mankind.”

Here is a man who knows so little of the history of his own country that he thinks it begins at the time when those who desired to profit by the political means gained the ascendancy over the organization of the economic means. And this is the work which is chiefly responsible for the political and historical education of the British ruling class. Lecky does not see the glaring injustice of the political means being used to reduce a people to poverty. He does

not see the injustice of denying them the advantages of education, and then condemning them for lack of culture and knowledge. It is just here where it should be pointed out that it seems as necessary to educate most of our historians as it is to educate the masses. Anyway Lecky is undeniably wrong, for in no state that I know of, at any time during the nineteenth century, have the masses successfully supplanted the classes. Even in France it cannot be said that the masses, save for some spasmodic moments, gained political ascendancy, and there the political means are used in the interests of those who have, quite as much as they are in Britain. Lecky himself, writing in the '90s, was conscious of this, though he did not know he was referring merely to political democracy. He says:

"We may judge French democracy by other tests. Has it raised France to a higher plane of liberty than in the past? The latitude of speaking and writing and dramatic representation is, no doubt, extremely great, but few modern French Governments, in their religious policy and in their educational policy, have made more determined efforts to force upon great masses of the population a system of education they detested, or to deprive them of the religious consolation they most dearly prized. It is very doubtful whether the religious policy of Jules Ferry and the educational policy of Paul Bert were approved of by the majority of Frenchmen. They are, probably, among the many instances in which a resolute and well-organized minority have forced their policy on a majority who were for the most part languid, divided, or unorganized. If the opinions of women as well as of men be taken into account, as they surely should be in questions of religion and education, there can be little doubt that the Government policy was that of a not very considerable minority. The essential characteristics of true liberty is, that under its shelter many different types of life and character, and opinion and belief can develop unmolested and unobstructed. Can it be said that the

French Republic represents this liberty in a higher degree than other Governments? It has been called a Government of the working-classes, but has it in this respect any extraordinary claim to our respect? On nearly all working-class questions, it will be found that France has been preceded on the path of progress by British legislation. At the present day, the hours of work of the French labourer are in general much longer than those of the Englishman; and I believe the English workmen, who have of late years so carefully examined continental legislations, have very generally concluded that they have nothing to envy in the industrial habits or legislation of the Republic."

But no form of democratic government meets with Lecky's unqualified approval. His criticism is not likely to elate the ordinary American who has been led to imagine that our political institutions were given birth by thorough-going democrats. He says:

"The American Constitution, indeed, was framed by men who had for the most part the strongest sense of the dangers of democracy. The school of American thought which was represented in a great degree by Washington and John Adams, and still more emphatically by Gouverneur Morris and Alexander Hamilton; which inspired the Federalist and was embodied in the Federalist party, was utterly opposed to the schools of Rousseau, of Paine, and even of Jefferson, and it has largely guided American policy to the present hour. It did not prevent America from becoming a democracy, but it framed a form of government under which the power of the democracy was broken and divided, restricted to a much smaller sphere, and attended with far less disastrous results than in most European countries. Hamilton, who was probably the greatest political thinker America has produced, was, in the essentials of his political thought, quite as conservative as Burke, and he never concealed his preference for monarchical institutions. Democratic government, he believed, must end in despotism, and be in the meantime destructive to public morality and to the security of private property."

Hamilton might have been the greatest political thinker America has produced, but no Lecky of the future will say that he was much of a prophet. This is a blow to our eminently respectable Fourth of July orators who speak of the Declaration of Independence as a complete statement of democratic ideals. Still, Lecky was shrewd enough to see that a deep fundamental difference lay between Paine and Adams, between Jefferson and Hamilton. It takes a Tory to recognize a Tory when he dons the garb of a democrat. We must however realize when we are studying the strictures of critics like Lecky that they cannot be wholly wrong. To use the old phrase, "there must be fire where there is so much smoke," and therefore it behooves us to know as clearly as possible what we are all driving at. It must be obvious to any student of this time that Lecky and his fellows were dealing with mere political democracy, and that they did not know that liberty and political democracy are not synonymous terms. The following passage proves how absurdly superficial is the view of Lecky:

"Equality is the idol of democracy, but, with the infinitely various capacities and energies of men, this can only be attained by a constant, systematic, stringent repression of their natural development. Whenever natural forces have unrestricted play, inequality is certain to ensue. Democracy destroys the balance of opinions, interests, and classes, on which constitutional liberty mainly depends, and its constant tendency is to impair the efficiency and authority of parliaments, which have hitherto proved the chief organs of political liberty."

It is perfectly amazing how such historical balderdash could have been tolerated at a time when the works of Stubbs and Freeman, to say nothing of

Green's *Short History of The English People*, were open to any one, even Lecky himself.

Let us now pass to another instance of confusion in the mind of a great personage — Sir Thomas Erskine May — as to the meaning of the term democracy. May was Clerk of the House of Commons, one of the best known English jurists, and a writer of constitutional history. Yet, with all his parliamentary experience and his study of constitutional law, he said, "But it is characteristic of the British constitution, and a proof of its freedom from the spirit of democracy, that the more dominant the power of the House of Commons,— the greater has been its respect for the law, and the more carefully have its acts been restrained within the proper limits of its own jurisdiction." It is singular how such a man could have been so closely in touch with Parliament and remain ignorant of the laws and customs on which Parliament was based. To read such a sentence makes one wonder if May really knew the history of the English people up to the time of the Norman conquest, if he knew the work of Stephen Langton, the struggles of Sir Thomas More, and the true meaning of the conflict which raged during the first half of the seventeenth century. Edward Freeman, referring to May's statement, says, "Has Mr. Grote lived and written so utterly in vain that a writer widely indeed removed from the vulgar herd of oligarchic babblers looks on 'the spirit of democracy' as something inconsistent with 'respect for the law'?" The question is pertinent. It might be well for many writers of this day to turn back to Grote's *History of Greece* and learn from his analysis of the reforms of Solon and Kleisthenes what democracy was five hundred years before

Christ. For there is very little now suggested in the way of reform by many socialists and sociologists that was not tried some time or another in the old days in Greece. But this we must keep in mind when we note the difference in opinion of writers like Lecky and May, that they are not clear as to the fundamentals of democracy, and the reason for this is that they have missed the great economic principle which made the old democracies possible. When that principle was lost sight of in the mazes of civilization growing more and more complex, it did not cease to exist. The great constitutional writers of England readily enough recognize in the early stages the full value of the land-free man, and they do not hesitate to place him at the centre, as a pivot, from whom all good things in government radiate. Is it any wonder when we think of the free past and understand how the machinery of government fell into the hands of the few, henceforth to be used to exploit the economic means, is it any wonder that some deep thinkers have imagined that government is the mother of all evil?

It is so strange to find in the nineteenth century, writers whose views of democracy are so limited, as these we have noted. But what is to be said of Sir Henry Maine? No one can look deeply into Maine's works without seeing how limited his view of democracy was. Let us take a sentence like the following from his work on *Popular Government*. He says:

"Let any competently instructed person turn over in his mind the great epochs of scientific invention and social change during the last two centuries, and consider what would have occurred if universal suffrage had been established at any one of them. Universal suffrage, which to-

day excludes free trade from the United States, would certainly have prohibited the spinning-jenny and the powerloom. It would certainly have forbidden the threshing-machine. It would have prevented the adoption of the Gregorian Calendar; and it would have restored the Stuarts. It would have proscribed the Roman Catholics, with the mob which burned Lord Mansfield's house and library in 1780; and it would have proscribed the Dissenters, with the mob which burned Dr. Priestley's house and library in 1791."

This seems like sheer prejudice. Anyway it is most unfair criticism so far as Britain is concerned. Maine utterly disregards the economic condition of the people and how that condition was brought about. Who can blame the people for their poverty and lack of education? Why, it was the few, in whose interest he writes, that reduced the people to destitution and withheld education from them. Still, it is only fair to say that somehow there were two Maines; the one who wrote, *Ancient Law, Village Communities*, and *Early History of Institutions*, invaluable works, scarcely seems to be the same man who wrote *Popular Government*.

Lawyers in general, since the time of the Conquest, have made a sad mess of our economic and constitutional history. The great conspiracy that has been referred to by so many English writers, Langton, Latimer, Gilpin, More, Cobbett, Freeman, Cobden, Thorold Rogers, etc., etc., was no figment of the imagination; it was very real. It therefore does not matter much what kind of a political democracy is the fashion, and all fashions have been tried and failed. Yet, if we had the courage to learn just what it was that stamped the democracy of England in the early days with the mark which no other democracy has borne, if we could grasp the fundamental that has been missing in almost all

other democracies, we should then have taken a step vigorous and firm on the high road to liberty. Is not this the point in history which we should apprehend, that a political democracy based on the widest suffrage, enjoying the fullest parliamentary powers, can only endure for the benefit of the people so long as they have the fundamental right to equal economic opportunity? It is this fundamental right that has been taken from the people, and the taking of this right away from them has been the cause of poverty, pestilence, and war. Let us make no mistake about this.

Is it too late to define the term democracy anew? Can a definition be found which will be comprehensive? What did the framers of the Declaration have in mind when they said:

“We hold these truths to be self-evident: That all men are created equal; that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness”?

Did they really mean that all men are created equal, and that all men have certain unalienable rights? Or did they mean that the body concerned with the signing of the Declaration were to be considered all the men to whom these rights belonged? It is an important point, one the students of Thomas Paine have had some doubt about.¹ Anyway, taken in its broadest and biggest sense, this

¹Lincoln thought the Declaration did include all men. He said: “I think the authors of that noble instrument intended to include all men; but they did not intend to declare all men equal in all respects. They did not mean to say all were equal in color, size, intellect, moral development or social capacity. They defined with tolerable distinctness in what respects they did consider all men created equal—equal with certain inalienable rights among which are life, liberty and the pursuit of happiness. This they said and this they meant.”

statement is comprehensive enough to include the essentials of an economic and political democracy. But there are those, and they are not a few, whose political and social activities are an outrageous denial of the principle set forth in that statement; and, as we have seen, alas, only too often of late, many of these people are those who have proclaimed themselves the most zealous of patriots and the best friends of democracy. It has been a bitter experience for Americans who remember our beginnings and the ideals of the stock from which we come. Nevertheless it may not be too late to amplify the truth which was self-evident. Strange as it may seem to many, all men are created equal: all have equal rights. There is now a world of literature compiled from data collected by investigators in all parts of the world which points conclusively to this great fact. And the fathers of the Declaration of Independence were perfectly right when they decided that all men being created equal have certain inalienable rights, and that among them are life, liberty, and the pursuit of happiness. But the rights of life, liberty, and the pursuit of happiness can only be enjoyed in the declaration itself, if the people are denied equal opportunity to use the earth. And this truth is self-evident. Now let us see if we cannot find a definition of democracy which will bear the severest scrutiny. First, let me draw the reader's attention to an epoch-making work. It was published at the beginning of this century, but it did not receive the notice it deserved because it was the boldest challenge to those who used the political means to exploit natural resources that has been delivered in a generation. The work is called *Democracy versus Socialism*. Its author, Max Hirsch.

Now if we take his statement of individualism and call it a statement of democracy we shall find a clear interpretation of the ideal expressed in the Declaration of Independence. Hirsch says:

“Individualism, affirming the existence of equal, natural, individual rights, seeks the further evolution of society in the direction of its past evolution until society shall have become fully subservient to the welfare of the individuals composing it; seeking to attain such general welfare through the removal of the remaining infractions of the natural and equal rights of all individuals—‘the freedom of each to exercise all his faculties as he wills, provided he infringes not the equal freedom of any other’; the right of each to the fullest opportunities for the exercise of his faculties, limited only by the equal right of all others; and the unlimited right of each to benefit by his own beneficial acts, reward being proportioned to service rendered.”

Here we have an economic definition which makes the phraseology of the Declaration of Independence as clear as noonday. This means democracy for all the people, and in such an economic democracy, life, liberty, and the pursuit of happiness may be enjoyed by all, for such a democracy would be based broad upon economic justice.

CHAPTER VII

GEORGES SOREL AND SYNDICALISM

“Don't you know that some man with eloquent tongue, without conscience, who did not care for the nation, could put this whole country into a flame? Don't you know that this country from one end to the other believes that something is wrong? What an opportunity it would be for some man without conscience to spring up and say: 'This is the way. Follow me!'—and lead in paths of destruction.”—WOODROW WILSON, *The New Freedom*, Chap. I, p. 28.

I HAVE said that all forms of government have at some time in the experience of the race been tried. That all kinds of reforms, political, social, and industrial, have been tried without success is a commonplace. The condition of peoples of the great States before this war broke out was the best proof of that. In the chief European countries, as in the United States, the speeches of statesmen and the programmes of parties were sufficient to convince the most purblind optimist that in every department of life there were deep dissatisfaction and grave unrest. Yet all parties had their own programmes of reform, and at each election all parties strove to outbid one another for votes. In Germany, where nearly everything was nationalized, there was little or no satisfaction among the general mass of the workers. It certainly is worth while taking into

consideration what Germany had done in the way of nationalization. Her railways, roads, canals, forests, etc., were under state control. The workers were nationalized under bureaucratic schemes such as military and naval service, old age pensions, insurance for sickness, invalidity, and unemployment; besides there were labour bureaus, and many other departments of a socialistic nature. Yet poverty and pain were rampant in the land. At the last German general election, before the war began, the Social Democratic party asked for freedom of trade, freedom of speech, freedom of press, and freedom of platform; they demanded the abolition of *lése-majesté*. At that election the Social Democrats, for the first time since the Empire was founded, placed in the forefront of their programme the demand for the abolition of compulsory military service, and increased their voting strength by over 1,250,000 votes, and became the largest party in the Reichstag.

And what had reform done for Britain? A list of the measures discussed in Parliament since the beginning of this century is far, far too long to be set out in a book of this size, but I may say the whole gamut of non-essential reform was run during those fourteen years. From small holdings and allotments to minimum wage for miners, from boards for sweated industries to licensing bills, from insurance for the workers to mental deficiency bills, from education to venereal diseases, from divorce to sanitation, from housing to the franchise, etc., etc., almost world without end. And yet no one was satisfied. Tory, Liberal, Labour, and Socialist, took turns in denouncing the Government for the ill-condition of the people.

But reformers never tire, never weary of legis-

lation. Homeopathic doses of reform only make their appetites the keener. What cannot be done this year, they think, can be done next, or what is half done may be done completely by the following generation. Hope in the efficacy of government and faith in some statesman not yet born, never fade away. If it were not pathetic it would be a screaming farce. But it is pathetic, for the machinery of the political means is grinding the people to pieces in more ways than one. The political means has continued to do its deadly work of exploiting the masses, strangely enough, by the aid unconsciously given by many of the most earnest and sincere reformers. This sounds like a paradox. But the truth of it must be obvious to any student of German and British legislation. Almost every new act has brought with it more officials, more restriction, until a great powerful class, swiftly becoming hereditary in character, is brought into being to batten upon the needs of the people. And this class in the main (there are, of course, many well known individual exceptions) becomes a bulwark which saves the ruling class from the extremists of all parties. Thus well-meaning reformers, by their efforts which produced legislative measures intended for the benefit of the people, have increased enormously in recent years the numbers of adherents of the state and strengthened every department of the bureaucracy. Here again is an instance of how little the experience of the past is regarded. Greece and Rome in the palmiest days of bureaucracy pale into insignificance before the mighty machines we have constructed.

Is it too late to look for the reasons for this lamentable state of affairs? Are we to go on legis-

lating, legislating, hoping that a day will come when we shall have legislated this system out of existence? Already the syndicalist has answered for us. We wonder how many Americans are familiar with the works of Georges Sorel. France is the motherland of the syndicalist. But France is a Republic, and the notion that it is a democracy seems to be general. How comes it then that Syndicalism can grow in such a soil? It seems strange, but it is only strange to those who believe in labels. The smug politician, who has implicit faith in the machinery of the State to grind out reforms, may lift his hands in horror at the ideas expressed by Sorel. The business man, who is far too busy to study the economics of his business, far too preoccupied with the engrossing detail of buying raw material and selling the manufactured article, would turn from Sorel's writings as swiftly as he would from a plague. Sorel does not like politicians and he has no faith in legislators. He believes in getting reform in quite another way. From what he says of the Parliamentary Socialists we can easily infer what his opinion is of men of the other political parties:

"Nowadays Parliamentary Socialists no longer entertain the idea of insurrection; if they still occasionally speak of it, it is merely to give themselves airs of importance; they teach that the ballot-box has replaced the gun; but the means of acquiring power may have changed without there being any change of mental attitude. Electoral literature seems inspired by the purest demagogic doctrines; Socialism makes its appeal to the discontented without troubling about the place they occupy in the world of production; in a society as complex as ours, and as subject to economic upheavals, there is an enormous number of discontented people in all classes — that is why Socialists are often found in places where one would least expect to meet them. Parliamentary Socialism

speaks as many languages as it has types of clients. It makes its appeal to workmen, to small employers of labour, to peasants; and in spite of Engels, it aims at reaching the farmers; it is at times patriotic; at other times it declares against the Army. It is stopped by no contradiction, experience having shown that it is possible, in the course of an electoral campaign, to group together forces which, according to Marxian conceptions, should normally be antagonistic. Besides, cannot a Member of Parliament be of service to electors of every economic situation?"

His contempt for the preachers of social duty, for State reformers in general, is just as deep:

"When the governing classes, no longer daring to govern, are ashamed of their privileged situation, are eager to make advances to their enemies, and proclaim their horror of all cleavage in society, it becomes much more difficult to maintain in the minds of the proletariat this idea of cleavage which without Socialism cannot fulfil its historical rôle. So much the better, declare the worthy progressives; we may then hope that the future of the world will not be left in the hands of brutes who do not even respect the State, who laugh at the lofty ideas of the middle class, and who have no more admiration for the professional expounders of lofty thought than for priests. Let us therefore do more and more every day for the disinherited, say these gentlemen; let us show ourselves more Christian, more philanthropic, or more democratic (according to the temperament of each); let us unite for the accomplishment of social duty. We shall thus get the better of these dreadful Socialists, who think it possible to destroy the prestige of the Intellectuals now that the Intellectuals have destroyed that of the Church. As a matter of fact, these cunning moral combinations have failed; it is not difficult to see why."

One of the concluding paragraphs of his work, *Reflections on Violence*, states in a few words what he is driving at:

"I believe that I have brought an important contribution to discussions on Socialism; these discussions must hence-

forth deal exclusively with the conditions which allow the development of specifically proletarian forces, that is to say, with violence enlightened by the idea of the general strike. All the old abstract dissertations on the Socialist régime of the future become useless; we pass to the domain of real history, to the interpretation of facts—to the ethical evaluations of the revolutionary movement. . . . The bond which I pointed out in the beginning of this inquiry between Socialism and proletarian violence appears to us now in all its strength. It is to violence that Socialism owes those high ethical values by means of which it brings salvation to the modern world.”

All this must seem like so much vapour thrown off by an over-heated imagination, for have not our politicians, captains of industry, and philanthropists pooh-poohed it, scoffed at it, and cast it aside as so much rubbish. This will not do. Let me go back to March, 1912, when the House of Commons was busy discussing the great coal strike in Great Britain, and when the House was in the throes of legislating a Minimum Wage Bill to settle that strike. Syndicalism was debated freely by members from all sides of the House. The debate was exceedingly interesting and some quotations from it should be of great value to serious-minded Americans.

Lord Robert Cecil said:

“The Syndicalist teaching, of course we all know, is to seize the property of the owner for the benefit of the workers in the particular industry, and the methods by which that is to be done is, first, the multiplied strike; secondly, the sympathetic strike; and, thirdly, the general strike. That hon. Members will find in every Syndicalist text book on the subject. After the conference in 1910 there was a second conference in Southampton, at which Continental Syndicalists were present in the summer of last year. Immediately succeeding that you had an outbreak of strikes all over the country. Altogether, in June and July there were no less than 102 different strikes.”

And this after three generations of trade unionism, this after many representatives of the men had entered Parliament. After years of co-partnership and co-operation in many industries, after almost every conceivable legislative palliative, still industrial unrest, grave discontent in the vast body of the wage-earners. In that debate Mr. Lloyd George was put up by the Government to speak for it, and his references to Syndicalism were, to say the least, humorous. He said:

"I do not take the noble lord's view with regard to Syndicalism. I do not think it is so serious as he imagines. I have followed the matter very carefully, because I was for two or three years at the Board of Trade, and it was part of my business, almost weekly, to deal with strikes, and even since I have been at the Exchequer I have been in close touch with most of the big strikes. I do not believe Syndicalism is a real peril. I will tell the House why I have come to that conclusion. I cannot see men of very great weight in the Labour movement who have committed themselves to it. No men of real influence and power have committed themselves to Syndicalism. Syndicalism and Socialism are, of course, two totally different things. They are mutually destructive. As a matter of fact, the Socialist would prefer to deal with the capitalist rather than the Syndicalist, for the simple reason that it is much more easy to deal with the capitalist than with the Syndicalist, because when once you hand over the whole profits of an industry merely to that particular industry, without any regard to the interests of the community, you raise a very formidable obstacle in the way of Socialism which is not in existence now, so that I can understand the Syndicalist as the bitterest enemy of the Socialist. He is bound to be. Let the noble lord take this comfort, that the best policeman for the Syndicalist is the Socialist."

It would be very difficult to find a better illustration of official ignorance than this affords. Any one who knows Mr. Lloyd George, would never expect

him to know any more about the works of Georges Sorel than he knows of the works of Henry George. He is a bureaucrat pure and simple. Still his description of Syndicalism did not carry him very far in that debate. A more enlightened explanation came from Mr. George Cave, who said:

“The Chancellor of the Exchequer (Mr. Lloyd George) brushed aside rather lightly the suggestion that this particular strike is on the lines recommended by Syndicalists. What I wish to point out is this. We can know nothing, of course, of the direct origin of the strike. We know nothing yet, but there is one fact apparent to every one who has studied the strike, namely, that in its character and methods it has every indication of following the lines laid down by those who call themselves Syndicalists. What is the method of Syndicalism? I am obliged to use the French word, although I hate it. The method is this. ‘Get into your hands, if you can, the whole of an industry; let it be, if possible, an industry upon which the very life of the nation depends; gather together in one industrial union, or federation of unions, all the branches taking part in that particular industry; get them together under one control, and then when the moment comes, strike and let the whole industry come to an end.’ I take the case of coal, and I am also quoting from pamphlets published a year or even two years ago. ‘In this manner you can get your hands on the throat of the nation, and you can not only destroy the coal industry, but you can stop and hamper a number of other industries. You can deprive the masses of the people of warmth, of the means of livelihood, and even of food. If you follow Syndicalist methods and do as we bid you, the result will be that you will have such a hold on the whole country that you will not only get the extra few shillings a week which you are asking for, but you will have a political power which will enable you to go very much further.’ That is the method followed by the miners in this strike. I do not care whether it is admitted to be an example of Syndicalism or not. I say it is a strike following those Syndicalist methods, and so it is a source of the greatest danger to this country. The Chancellor of the Exchequer says that a

minimum wage is not a Syndicalist proposal. It is not the end of the Syndicalist conspiracy I agree, but it is one of the means recommended by the leaders of that conspiracy in order to gain their ends. I do not confine myself to one pamphlet. I have had the duty of reading quite a number of them. Let me quote one: — 'The policy of Syndicalism is continual agitation carried on in favour of increasing the minimum wage and shortening the hours of labour until we have extracted the whole of the employers' profits.' Therefore the minimum wage is part of the Syndicalist policy."

This is more to the point, and Cave's analysis reveals a certain amount of study of the question. There is however a great deal more to be said for the doctrines of Georges Sorel. The preaching of revolutionary Syndicalism marks the beginning of an entirely new epoch in the relation of labour and capital, and of the proletariat and the State. Let this be clearly understood. It would be futile to dismiss it with the smug smile of the ignorant statesman. Millions of people in Europe are consciously and unconsciously animated by the ideas of Georges Sorel. There is nothing so puerile in modern controversy as ninety-five per cent of the stuff we read about "Bolshevism" in the American papers. In reality "Bolshevism" in action is only a political term for an economic manifestation of revolutionary Syndicalism. It is therefore of paramount importance to both labour and capital, philanthropists and politicians, to understand as quickly as possible the ideas and intentions of one of the deepest thinkers of our time and generation. Let me quote from Sorel's chapter on "The Ethics of the Producers." He says:

"It is quite easy to see that during a considerable period the moderns also did not think that there was anything more to be said about workers than Aristotle had said; they

must be given orders, corrected with gentleness, like children, and treated as passive instruments, who do not need to think. Revolutionary Syndicalism would be impossible if the world of the workers were under the influence of such a morality of the weak. State Socialism, on the contrary, could accommodate itself to this morality perfectly well, since the latter is based on the idea of a society divided into a class of producers and a class of thinkers applying results of scientific investigation to the work of production. The only difference which could exist between this sham Socialism and Capitalism would consist in the employment of more ingenious methods of procuring discipline in the workshop."

To those who have imagined Socialism is a comprehensive term for a system opposed to what is called Capitalism, the distinction which Sorel draws will no doubt cause surprise. But when we go further into Sorel's analysis we learn the true character and tendency of his ideas. It is when he discusses the all-important question of how "it is possible to conceive the transformation of the men of today into the free producers of tomorrow working in manufactories where there are no masters," that he reveals the individualistic nature of Revolutionary Syndicalism. He tells us:

"In the wars of Liberty each soldier considered himself as an individual having something of importance to do in the battle, instead of looking upon himself as simply one part of the military mechanism committed to the supreme direction of a leader. In the literature of those times one is struck by the frequency with which the free men of the republican armies are contrasted with the automatons of the royal armies; this was no mere figure of rhetoric employed by the French writers; I have convinced myself as a result of a thorough first-hand study of one of the wars at that time, that these terms corresponded perfectly to the actual feelings of the soldiers. . . . This presupposes that no account is taken of the relative values of the different factors

X that go to make up a victory, so that all things are considered from a qualitative and individualistic point of view. One is, in fact, extremely struck by the individualistic characters which are met with in these armies, and by the fact that nothing is to be found in them which at all resembles the obedience spoken of by our contemporary authors. There is some truth then in the statement that the incredible French victories were due to intelligent bayonets."

Strange as it may seem to many who have been led to believe that Lenine and Trotsky have dominated the Russian situation to such an extent that the masses are mere automata moved here and there at will, let me suggest that these two men are the creatures of the vast majority of the Russian people who were ripe for such action as Sorel advocates. Kerensky failed. Why did he fail? Because he was only another kind of politician. He was as blind to the real situation, to the desires of the Russian peasant, as those French socialists are to the notion of Sorel; as blind, I may say, as Lloyd George was to the elements of the coal strike in March, 1912. It is so rare to find any one who will concede that there is at any time an idea animating that mass of people the politician believes he is especially endowed to keep in order, and yet history in this respect seems a series of strictures upon statesmen who stupidly disregarded what was taking place in the minds of the masses. It is undoubtedly true that there have been few, very few, leaders who have anticipated the insurrection of an idea of the mass. Leaders usually appear after the insurrection of the idea has been begun.

Now this individualistic viewpoint is one we dare no longer ignore. Revolutionary, as the notion may be to many, we must now recognize the fact that the

ideas of the mass create the leaders and that our old notion that agitators give ideas to the mass can be accepted only in a very superficial way. It has been said over and over again that the masses always suspect their labour leaders, and on reflection this is true, no matter how loudly a leader's speech may be cheered, no matter how great a majority of votes may be given to him at the poll. If there is any doubt of this, look into the political history of labour parties in Britain and France for ten years before the war began. What was one of the most noticeable phenomena in all strikes? Was it not this: a great element of an anarchistic nature always at work, rejecting the advice of leaders, breaking not only contracts but rules of the unions? How many times have the leaders had to confess that their efforts were unavailing? Of course, the leaders have generally to put the best face on to meet this state of affairs, and often have to submit with that grace, which the politician knows so well, when he leads from behind. This attitude of the labour leader is, however, no longer tolerated, so I gather from what is taking place in Britain. The *New York Times* of January 29, published in its cable, on the strikes taking place in Great Britain, the following:

"Alexander Thompson, editor of the Socialist Labour newspaper *Clarion*, in reviewing present industrial unrest for *The Mail*, writes: 'The new Labour Minister, Sir Robert Stevenson Horne, whose sincere sympathy with labour's desire for improved conditions of life has very favourably impressed leaders of the trade unions, confesses his utter helplessness in dealing with the grave problems assailing him on his entrance to office.' None of the present strikes has been authorized by the executives of the unions involved and all are contrary to official advice. Therefore, it is obviously impossible for Sir Robert to interfere. It is his policy,

as Labour Minister, to support trade union executives, as any other action would only weaken their authority and strengthen the hands of those who have disobeyed instructions."

Does this mean government is impotent to deal in the old way with men? Does it mean anarchy? I wonder what Lloyd George will say on Syndicalism when the House meets to discuss the next strike! When will politicians look facts squarely in the face and realize the full gravity of the situation? When will they learn from Sorel that the old methods are useless, and abandon them? The unions have lost the fight. A union is now a husk, for the Shop Stewards' movement¹ has burst open the shell of unionism and cast it aside. Sorel understands this when he says:

"The same spirit is found in the working-class groups who are eager for the general strike; these groups, in fact, picture the Revolution as an immense uprising which yet may be called individualistic; each working with the greatest possible zeal, each acting on his own account, and not trou-

¹ The shop steward movement in Britain is only one manifestation of profound dissatisfaction on the part of the workers with the old trade union machine. Whereas trade unions moved more and more to centralization, the shop stewards movement is one which takes on all the tendencies of decentralization. It is representative of the shop and its workers. It is individualistic in inception though the aim be unified control of industry, the local shop nevertheless to remain the power basis of direction. Within the movement there are to be found advocates of what is called "an official extension of the trade unions," but on the other hand one finds in the shop stewards movement a large body "as bitterly at war with constitutional trade unionism as with the employers." The trade union manifesto, issued February 13th, 1919, on unauthorized strikes, reveals a most serious state of affairs in British industry. It calls for a strengthening of the hands of responsible leaders in the trade union movement and an agreement to abide by the decision of the majority. Unless that course is taken a very serious blow will have been struck at the fundamental principle of trade unionism—namely, collective bargaining. Under any circumstances, it adds, unauthorized strikes cannot and must not be tolerated.

bling himself much to subordinate his conduct to a great and scientifically combined plan. This character of the proletarian general strike has often been pointed out, and it has the effect of frightening the greedy politicians, who understand perfectly well that a Revolution conducted in this way would do away with all their chances of seizing the Government. . . . The upholders of the general strike are accused of anarchical tendencies; and as a matter of fact, it has been observed during the last few years that anarchists have entered the syndicates in great numbers, and have done a great deal to develop tendencies favourable to the general strike. This movement becomes understandable when we bear the preceding explanations in mind; because the general strike, just like the wars of Liberty, is a most striking manifestation of individualistic force in the revolted masses. It seems to me, moreover, that the official Socialists would do well not to insist too much on this point; they would thus avoid some reflections which are not altogether to their advantage. We might, in fact, be led to ask if our official Socialists, with their passion for discipline, and their infinite confidence in the genius of their leaders, are not the authentic inheritors of the traditions of the royal armies, while the anarchists and the upholders of the general strike represent at the present time the spirit of the revolutionary warriors who, against all the rules of the art of war, so thoroughly thrashed the fine arms of the coalitions."

What does this mean? There seems to be only one parallel that I can think of. Here we have an industrial gospel, or an industrial religion, let us say — Sorel would agree — that is to be as leaderless as the religion of Jesus was to be priestless. All the time-honoured notions of Liberalism and Socialism are thrown upon the scrap heap; all the hair-splitting politicians are swept aside.¹ The exploiters of ideas of the mass will not be required, for this

¹ "The multitude even though they know nothing of the political science and hold no magistracy, still can form a good practical judgment upon government in general and even a better one than those in office who can not see their own defects and errors."—Aristotle.

idea is so simple that it requires no elucidation by statesmen. As I have said, millions are at present actuated by that idea.

I shall now present some of Sorel's views of the conditions of the worker and industry under the new system :

" I want now to point out some analogies which show how revolutionary Syndicalism is the greatest educative force that contemporary society has at its disposal for the preparation of the system of production, which the workmen will adopt, in a society organized in accordance with the new conceptions. The free producer in a progressive and inventive workshop must never evaluate his own efforts by any external standing; he ought to consider the models given him as inferior, and desire to surpass everything that has been done before. Constant improvement in quality and quantity will be thus assured to production; the idea of continual progress will be realized in a workshop of this kind. . . . Modern industry is characterized by an ever-growing care for exactitude; as tools get more scientific it is expected that the product shall have fewer hidden faults, and that in use its quality shall be as good as its appearance. If Germany has not yet taken the place in the economic world which the mineral riches of its soil, the energy of its manufacturers and the science of its technicians ought to give it, it is because its manufacturers for a long time thought it clever to flood the markets with trash; although the quality of German manufactures has much improved during the last few years, it is not yet held in any very great esteem. . . . Economic progress goes far beyond the individual life, and profits future generations more than those who create it; but does it give glory? Is there an economic epic capable of stimulating the enthusiasm of the workers? . . . Morality is not doomed to perish because the motive forces behind it will change; it is not destined to become a mere collection of precepts as long as it can still vivify itself by an alliance with an enthusiasm capable of conquering all the obstacles, prejudices, and the need of immediate enjoyment, which oppose its progress. But it is certain that this sovereign force will not be found along the paths which

contemporary philosophers, the experts of social science, and the inventors of far-reaching reforms would make us go. There is only one force which can produce today that enthusiasm without whose co-operation no morality is possible, and that is the force resulting from the propaganda in favour of a general strike."

Revolutionary Syndicalism is a means to an end; the end is Socialism. The syndicalist intends to dispense with the politician. At a meeting in South Wales about the time of the great coal strike, an old miner, in moving a vote of thanks to a lecturer who had spoken on Syndicalism, said, "Well, it seems to me it's worth trying. I waited forty years for members of Parliament to do something. I thought labour members might make a change. They had a chance. But Parliament seems to spoil them. So I says, Let's try this chap's way." Now, at that time there were several well-known labour leaders, not in Parliament, who were spreading syndicalistic doctrine in the lodges, and they were undermining the position of the parliamentary group and favouring direct action. But see what has happened in recent years: the fiercest South Wales revolutionary syndicalist is now as tame a member of Parliament as any member in the miners' group. In France changes of this kind are more notorious. This is where the great danger lies, for whereas only one or two here and there have a chance of becoming a member of a legislature, the thousands remain outside to learn the lesson anew of what parliamentary associations do to their leaders. Still, though their hopes are sometimes dashed down by what they call a turn-coat, they do not lose faith in the gospel of direct action, for their numbers increase mightily every year.

A shrewd observer of British politics, commenting upon the proportionately small number of votes recorded at the last general election, said it was one of the most sinister signs of the times, for it seemed to him that the small vote was in the nature of a rebuke, and meant a great increase in the number of the adherents of Syndicalism.

CHAPTER VIII

"THE MAN VERSUS THE STATE" AND AMERICAN SPENCERIANS

"I will not live under trustees if I can help it. No group of men less than the majority has a right to tell me how I have got to live in America. I will submit to the majority, because I have been trained to do it,—though I may sometimes have my private opinion even of the majority. I do not care how wise, how patriotic, the trustees may be, I have never heard of any group of men in whose hands I am willing to lodge the liberties of America in trust."—WOODROW WILSON, *The New Freedom*. Chap. III., p. 64.

THERE is something to be said for the Parliamentary socialist, notwithstanding Sorel's severe criticism. The socialist boasted before the war that he was quite content to get Socialism increment by increment, for a full dose was not possible so long as the capitalist class controlled the political means. But, as the condition of the people was becoming more and more desperate, and the propaganda of the socialist more telling, because of Parliament's unwillingness to deal with fundamental reform, he said he did not mind the fulminations of statesmen against Socialism so long as statesmen voted for socialistic legislation. The war has, however, carried us further in these four years than any socialist expected. The experience has been a peculiar one,

inasmuch as many people who formerly abhorred Socialism now beg that the return to pre-war conditions shall be "gradual and statesmanlike." For the emergency of the war, economic, political, and industrial principles have been swept aside, and in their place we have had to submit to those very principles of State Socialism which we had hoped were buried long ago. War raised the dead; it always does. Now how was it that Great Britain and the United States, two countries of one tradition of liberty, should fall so easily under the yoke of State Socialism, even though the emergency was the European war? The fact is this: that we have been driven for the past twenty years or so to adopt socialistic ideas little by little. Governments have been driven by the economic condition of the people and the growth of great industries, to attempt through a particularly specious class of social legislation to remedy deep-seated economic problems. The whole legislative tendency for the past twenty years has been in the direction of Socialism.

There has been recently published an edition of Herbert Spencer's *The Man versus The State*, with comments by well-known Americans, giving illustrations of the dangers arising from the increasing officialism in this country. The editor, Mr. Truxtun Beale, says:

"One can hardly now take up a newspaper without reading of some legislative measure, either State or Federal, which narrows the area of personal freedom and increases that of official control. . . . Both the essays and the commentators will demonstrate that officialism is slow, that it is expensive, that it is unadaptive, that it is unprogressive, that it has a tendency to tyrannize and a tendency to become corrupt; that it is as hard to shake off as the old man of the

sea, when once there is created a large official class. They will demonstrate that business enterprise as well as personal liberty is in danger of being lost in the labyrinthine mazes of officialdom. They will demonstrate the impoverishing effect of taking people from the producing class to form an army of officials to be supported out of fruits of labour. They will demonstrate that a régime of officialism means vast expenditures for obtaining small ends. They will point out the childish impatience of the American people with slow and natural remedies — the only sound ones — and will show that quick remedies are almost always quack remedies. They will demonstrate that under a régime of excessive officialism the State instead of being a protector of rights becomes an aggressor upon rights. They will demonstrate that the habit of leaning upon officials destroys national character and weakens the old American trait of self-reliance. They will attack the apparently inexhaustible faith in law-made remedies and show that the belief in the sovereign power of political machinery is a gross delusion. They will demonstrate that increasing officialism is paving the way for Socialism, checking progress and the evolution to a higher state and tending to crystallize social structure upon a lower plane."

Mr. Beale must have a fine sense of humour — publishing Spencer's essays at this time. What he hopes to gain is not clear. We all know our Herbert Spencer, we also know how valuable to Toryism his essays were in the '80s. The Liberals of that day however paid little or no attention to his warnings; indeed after the publication of *The Man versus The State*, officialism increased rapidly. The new edition is however valuable for the comments made by the Americans who use Spencer's essays to point the moral for American readers. For instance Mr. David Jayne Hill says:

"It is worthy of note that the same illogical, and yet apparently fatally directed, procedure that was in operation in England when Herbert Spencer wrote those essays is at

present operative in the United States; namely, the gradual imposition of a new bondage in the name of freedom. . . . If the State were, in fact, a wise, beneficent, and provident entity, capable of exercising a truly parental care in protecting the interests and preserving the liberty of the people, the only considerable evil resulting from its unlimited authority would be the weakening of the individual through his complete reliance upon his benevolent guardian and the consequent suppression of personal initiative, effort, and responsibility. But, in truth, the State possesses none of these characteristics. It is, in reality, merely a sum of legalized relations, in whose name and by whose authority certain definite persons, called the Government, control the activities of the community."

This is a pretty bold definition of the modern State and indicates how far we have travelled in the direction of a bureaucracy since Herbert Spencer wrote his essays. But when Mr. Hill tells us that "these persons, drawing their sustenance in the form of salaries from the common store, secure in the possession of authority so long as they can suppress individuality and tighten the grasp of government upon the forces of the community, soon discover that they are in the seat of power, and that their prospect of retaining it depends upon the increase of their authority and the diminution of individual liberty," he points out the very same evil of the system, or of this socialistic class of legislation, which I have already referred to in the case of Great Britain. Here again is another instance of how little regarded are the experiences and vicissitudes of government. Here in America we benefit not at all by the blunders of a government in a country where our language is spoken and where there is the same tradition of liberty. What is to be done about this grievous state of affairs? Mr. Hill says, "from the

point of the citizen, this is a tendency to be resisted; unless he is willing in the end to turn over to the State everything he possesses, and submit to the sumptuary legislation which the Government, ever seeking to enlarge its functions of supervision and control, desires to impose." Is this advice to be accepted literally? If so, will Mr. Hill then tell us in what way the citizen is to resist? This is important, for some of those citizens who have recently resisted the very grave dangers that Mr. Hill refers to have been locked up for their pains. They have learned that resistance is dangerous nowadays. The recent trials reveal a most un-American tendency. Twenty years in prison for saying and doing far, far less than Paine, Washington, Emerson, and Thoreau, said and did, savours of Jeffreys, not Jefferson. Have we then reached the stage when resistance is futile? Has the State absorbed the man, and is the yoke of State Socialism placed on the necks of an unwilling people by a Government that would repudiate every canon of the state socialist? ¹

But let us look further. Mr. Elihu Root says:

"If we apply Spencer's article on 'The New Toryism' to the United States, we cannot fail to realize the rapidity with which our social organization has been passing from the régime of contract into the régime of status. If we proceed further to consider the great body of laws which have been enacted in recent years by our national and State legislatures, we shall find that many of them go beyond the limits of power which on sound political principles government ought to exercise in restraint of the liberty of the individual citizen. This subject is of more critical impor-

¹ "What has destroyed the liberty and the rights of man in every government which has ever existed under the sun? The generalizing and concentrating all cares and powers into one body, no matter whether of the autocrats of Russia or France or of the aristocrats of a Venetian Senate." Jefferson, Works VI, 543.

tance for us than it was for England when Spencer wrote. . . .”

British Tories talked in exactly the same way. They, however, did not venture on a statement of equal rights which is in any way comparable with that of Mr. Root, for in his preface he does not hesitate to tell us:

“He (Spencer) was the apostle of the right of individual liberty, limited only by the equal rights of others. He made that the basis of his political philosophy. He tested all laws which limited the freedom of the individual by the question whether those laws were necessary to maintain the equal freedom of others. Many of us, I think most of us in America, believe that to be the true principle, the only principle, upon which political ethics can rest securely, and we cannot afford to have our belief become a dead and forgotten faith.”

I do not think that the Mr. Herbert Spencer of the last part of the Synthetic Philosophy would agree with this description. Mr. Root when he speaks of Spencer as “the apostle of the right of individual liberty, limited only by the equal rights of others,” must be referring to the earlier Mr. Herbert Spencer, who wrote *Social Statics*. Anyway, it is just as well for us to remember Mr. Root’s statement of what we Americans understand as the true principle, the only principle, upon which political ethics can rest securely.

Mr. Henry Cabot Lodge in his preface to *The Coming Slavery*, is very much concerned about the growth of socialistic tendencies. He tells us, “There has never been a time when it was more desirable for legislatures and people alike to look beyond the proximate truth or the half truth upon which we are acting and to consider the ultimate truth to which

their actions lead." Certainly every protectionist should ponder well this sage advice, for protection and Socialism are never very far apart. Both would destroy incentive, both require a great body of officials, both are restrictive, and both lean towards compulsion.

I venture to say that protection has indirectly done more to foster Socialism than Karl Marx and all his works. It is a fact of striking significance that socialistic doctrine makes little or no political headway in countries where tariffs are very low. In free trade countries its political strength is scarcely appreciable. Germany, Russia, France, and the United States are, or were, protectionist countries, and these have undoubtedly given greater evidence of the strength of Socialism than free trade Great Britain, where every one was at liberty to preach its gospel to the full. In Europe, protection and militarism have always gone hand in hand, and the protectionist party has always been the "bayonet" party.

It is, however, Mr. Lodge's contribution to the growth of officialism which I particularly wish to place before the reader:

"In every department of the Government there has been an increase in the number of offices, and in the Treasury Department alone there has been an increase of nine hundred and thirty-eight offices within the last two years. That the same holds true of other executive departments is shown by the fact that the number of Government employes in the classified service, appointed as the result of competitive examinations, has increased from 222,278, in the year 1910, to 292,460, in the year 1914, while the total number of Government employes has increased from 384,088 to 482,721 in the same period. These increases are enough to give us pause, but when we reflect that there is an active movement

on foot to have the Government take over the telegraphs and telephones, the railroads and the steamships of the country, we can see that these hundreds of thousands of offices now existent will be raised, if Government ownership prevails, to several millions. If this comes to pass we shall soon be governed by the office-holders of the classified service, just as Russia has been controlled by her bureaucracy."

These figures are startling, but they are pre-war figures. It would be interesting to know the number of officials added to the old departments; their armies of officials, brought into being through the exigencies of the war, must be great. But things will be much worse before they are better, for the prospect when we return to a peace basis is we will not only be saddled with many of the war departments, but in all likelihood see new departments springing up under schemes of nationalization. The truth is we are going surely and swiftly to State Socialism. That none of the workers have yet been socialized is neither here nor there for purposes of argument, just now. The fact is the services are under consideration, and the war, and the conduct of it by the Government, has done more to drill the mass into fit and proper subjects for the socialist State than Mr. Root and Mr. Lodge seem to be conscious of. Bureaucracy has come to stay, unless a great revolution take place in the minds of the American public. But it is impossible to blame one political party more than another. Leaving the war out of consideration, I may say that all pre-war governments have been afflicted with the mania of officialism. The economic system in vogue which governments everywhere, whether liberal or conservative, or republican or democratic, wish to maintain, drives the parties towards bureaucracy. It is the inevitable

result of a monopolistic system wherein the political means must control and exploit the economic means. There can be no other reason for this pernicious state of affairs. It should be obvious now that legislation is a curse. It is, however, those who support the monopolistic system, the heirs of those who destroyed the practice of equal rights, who are now appalled at the consequence of their acts. Herbert Spencer, the latter day Herbert Spencer, is their champion. They all cry out against Socialism, but they do not realize that the system they support contains in it many of the elements of Socialism. Some one has said that monopoly is the foster-mother of the socialist state; is it true that the monopolist is the stepbrother of the socialist?

There are many splendid passages by Americans in their prefaces to these essays. Whether Spencer would have agreed with his American friends of this day is doubtful. Whether vast numbers of Americans would have agreed with many of the comments made in this book by their fellow-countrymen, who have taken more or less active part in the conduct of the war, is hard to say; but it seems to me here is highly inflammable material written by these gentlemen, a good deal of which would have caused consternation, to say the least, if it had been spoken from a pacifist's platform during the war. Let me quote Mr. Nicholas Murray Butler. In referring to the Declaration of Independence, he says:

"These natural rights, which are set forth in the Declaration of Independence and which are amplified and defined in the Constitution of the United States, are an attribute of human personality. A human being is a person and a person is an end and not a means to an end. Personality is morally inviolable, and into its sacred precincts no despot,

whether monarch or majority, has any right to enter. The amazing notion that there is no such thing as privacy, that all of a man's doings and sayings and thinkings and havings are matters of public concern and are rightfully subject to inspection and control, is the determined enemy of personal freedom and of civil liberty."

This is excellent, but the trouble is it does not carry us very far. Before the war we heard frequently how great universities exercised extraordinary autocratic powers. The universities during the war were sometimes opposed to freedom of speech and suspicious of liberty of thought. Do particular cases vitiate a principle? I suppose the reply would be that it depends upon the person and the circumstances. Evidently Mr. Nicholas Murray Butler believes in natural rights. He says:

"The thoroughly obscurantist and reactionary doctrine is now taught—and curiously enough it is taught under the name of progress—that the individual has no rights save those which society confers upon him and that society may by majority vote to do what it pleases with him. This doctrine is the oldest prop of despotism and autocracy, and the despotism and autocracy is none the less despotic and autocratic because for an individual monarch there has been substituted a temporary and fortuitous majority."

Again this is excellent, but the trouble is natural rights are conspicuous by their absence, for the basis of natural right has been monopolized by the few. When a man has to pay one of his fellows for the natural right to use the earth, the only source from which he can draw his sustenance, it seems to me the Declaration of Independence requires modification. But we are told there is a cure, and "there is no need to turn aside to re-enact the sumptuary laws of long ago to regulate in the minutest way all sorts and kinds of activities which are far

better alone." This sounds very much like the so-called *laissez faire* gospel of the good old Tory Liberty and Property Defence League. Mr. Butler says:

"Nature's cure for most social and political diseases is better than man's, and without the strongest reasons the government should withhold its hand from everything that is not, by substantially common consent, a matter of government concern and governmental action."

This is all very well and good so far as it goes, but nature has not got a chance so long as it is monopolized. *Laissez faire* as a gospel does not mean leave monopoly alone, it means leave natural rights alone.

Mr. David Jayne Hill is another believer in the rights and liberties of each individual, but he seems inclined to favour a *laissez faire* policy which was in vogue after natural resources were monopolized and before "over-legislation" began. He is not definite as to the period when the change took place, for he says:

"With us, on the contrary, the evolution has been from the practically universal acceptance of equal inherent and inalienable personal rights and liberties to a growing acceptance of the idea that the State should control the conduct and the possessions of the individual, including his personal habits, his business activities, and even his private opinions. Those who still defend the doctrine of inherent personal rights and liberties are now denounced as 'reactionaries,' and are frequently insulted in letters, and otherwise, by persons who impugn their motives and accuse them of an alliance with the forces of evil."

There seems to be a misunderstanding here that is certainly worth clearing up. Let me ask Mr. Hill this question: What is the basis of equal inherent

and inalienable personal rights and liberties? This is most important. If Mr. Hill has in mind merely a political basis — of equal franchise — then it can be readily understood how one defending the phrase we have quoted, could be denounced as reactionary. Equal inherent and inalienable personal rights and liberties must have an economic basis, and no one knew that better than Herbert Spencer when he published *Social Statics* in 1850. Then he told us:

“In our tender regard for the vested interests of the few, let us not forget that the rights of the many are in abeyance, and must remain, so long as the earth is monopolized by individuals. Let us remember, too, that the injustice thus inflicted on the mass of mankind is an injustice of the gravest nature. The fact that it is not so regarded proves nothing. . . . It may, by-and-by, be perceived that Equity utters dictates to which we have not yet listened; and men may then learn that to deprive others of their rights to use the earth is to commit a crime inferior only in wickedness to the crime of taking away their lives or personal liberties.”

Spencer, of course, in later years changed his mind about this, but in changing his mind he did not change in any way the eternal truth. He began his career as an individualist and ended it as a Tory. Now it is justice which must accompany natural right, and without economic justice the high-sounding phrase used by Mr. Hill is really meaningless. We have found that a mere political democracy is and always has been a failure. Is it too late to hope that equity will utter dictates to which we have not yet listened? Let us hope not.

Mr. Taft contributed some comments on Spencer's essay on *The Duty of the State*. It is one of the curiosities of the war how this book, of all books, was overlooked by the military censor and the post-

office, for it contains doctrines which few men, during America's participation in the war, would have been permitted to utter from a public platform. Yet it was fathered by a half dozen of our leading citizens, and the public urged to read and study it. So, while we are considering the question of rights, let us ponder the following from the essay on *The Duty of the State*:

"When we agreed that it was the essential function of the State to protect—to administer the law of equal freedom—to maintain men's rights; we virtually assigned to it the duty, not only of shielding each citizen from the trespasses of his neighbours, but of defending him, in common with the community at large, against foreign aggressions. An invading force may violate people's rights as much as, or far more than, an equal body of felons; and our definition requires that government shall resist transgression in the one case as much as in the other. Protection,—this is what men seek by political combination; and whether it be against internal or external enemies matters not. Unquestionably war is immoral. But so likewise is the violence used in the execution of justice; so is all coercion. Ethical law is as certainly broken by the deeds of judicial authorities as by those of a defensive army. There is, in principle, no difference whatever between the blow of a policeman's baton and the thrust of a soldier's bayonet. Both are infractions of the law of equal freedom in the persons of those injured. In either case we have force sufficient to produce submission; and it matters not whether that force be employed by a man in red or by one in blue. Policemen are soldiers who act alone; soldiers are policemen who act in concert. Government employs the first to attack in detail ten thousand criminals who separately make war on society; and it calls in the last when threatened by a like number of criminals in the shape of drilled troops. Resistance to foreign foes and resistance to native ones having consequently the same object—the maintenance of men's rights, and being effected by the same means—force, are in their nature identical; and no greater condemnation can be passed on the one than on the

other. The doings of the battlefield merely exhibit in a concentrated form that immorality which is inherent in government, and attaches to all its functions. What is so manifest in its military acts is true of its civil acts,— it uses wrong to put down wrong.”

It is something to be thankful for that an ex-president of the United States has urged “a conscientious reading of these two chapters,” for the purpose of putting “a lot of good sense and practical ideas in the minds of our legislators.” What will happen to them if they act on the precepts laid down in these chapters only the Security League can say. Perhaps it would be worth while publishing another edition of *The Man versus The State* now legislators and subjects have enjoyed an unprecedented period of State and private society control. It would be interesting to see how far a series of new prefaces to Spencer’s essays would differ from these we have been considering. Many men would no doubt subscribe heartily to the first sentence of *The Sins of Legislators*: “Be it or be it not true that Man is shapen in iniquity and conceived in sin, it is unquestionably true that Government is begotten of aggression and by aggression.” It would now be difficult to find any important body of opinion that would not heartily agree with this. If silence gives consent, must we take it for granted that well-to-do people generally submit to State and private society control, that tyranny and coercion are state diseases which they must expect and suffer, just as people used to think measles and chicken-pox were regularities of the growth of children? But the question of natural rights may spring up again with startling effect. Already some of the great men of science and philosophy are in the van, leading an exceedingly small

minority back to first principles. Naturally there are no well-known politicians in that minority; nevertheless the really serious thinkers are engaged in a preparedness campaign to educate society as a whole for the change that must come, unless society is to be reduced to slavery. Only on the maintenance of individual rights can the life of society prosper. ✓ The prosperity of the few in a society which in nearly all its actions denies natural rights to the millions will not save political democracy or personal property any more than high-sounding phrases will save well-known public men from the stigma which seems to have been hurled at them. Natural rights must be considered. Serious men and women must turn their attention to the study of economic principles, for as Spencer says, in dealing with the customs of primitive peoples before governments existed, "those who, denying natural rights, commit themselves to the assertion that rights are artificially created by law, are not only flatly contradicted by facts, but their assertion is self-destructive: the endeavour to substantiate it, when challenged, involves them in manifold absurdities."

CHAPTER IX

KARL MARX AND SOCIALISM

"There are serious things to do. Does any man doubt the great discontent in this country? Does any man doubt that there are grounds and justifications for discontent? . . . Within the past few months we have witnessed (along with other strange political phenomena, eloquently significant of popular uneasiness) on one side a doubling of the Socialist vote and on the other the posting on dead walls and hoardings all over the country of certain very attractive and diverting bills warning citizens that it was 'better to be safe than sorry' and advising them to 'let well enough alone.'"

— WOODROW WILSON, *The New Freedom*. Chap. II, p. 36.

A REVOLUTION to be successful must be a democratic triumph, not a political victory. Political victories are merely the exchange of one set of politicians for another, and democracy gains so little in most revolutions that one is forced to wonder what lasting value there was in causing so much suffering. Relief after the most successful revolution does not last more than a generation or two. The exception will always be the American Revolution, owing to the free natural resources of this continent a century and a half ago. In France many years had to pass, owing to Napoleonic wars, before the people enjoyed the change. It is a most remarkable fact that the two greatest political revolutions known were within

an ace of being ~~the~~ democratic triumphs. If Quesney and Turgot in France had succeeded there would be now a quite different story to tell. If Paine and Jefferson in America had carried their fundamental principles into effect how vastly different would be the history of this land! But their influence was as naught when their opponents took hold of government. When the individualists were supplanted by the politicians the fundamental of democracy — natural rights — was lost. This is the most impressive fact all history records. It is private ownership of the basis of subsistence, natural resources, which defeats the purpose of revolution, and enables the monopolist to keep fast hold of the political means. Dominion, not freedom, is the end of political revolution. Franz Oppenheimer, in his work of unique excellence, *The State*, puts this quite clearly. He says:

“The developed feudal state is, in its essentials, exactly the same thing as it was when yet in the second stage of state formation. Its form is that of dominion, its reason for being, the political exploitation of the economic means, limited by public law, which compels the master class to give the correlative protection, and which guarantees to the lower class the right of being protected, to the extent that they are kept working and paying taxes, that they may fulfil their duty to their masters. In its essentials government has not changed, it has only been disposed in more grades; and the same applies to the exploitation, or as the economic theory puts it, ‘the distribution’ of wealth.”

There has indeed been no change in the essentials of government. The difference is one of degree. It is “differentiated much more minutely, and integrated much more powerfully.” And now we find the struggle is on the one hand between the rival politicians for dominion; and on the other be-

tween two factions in production, labour and capital. The landlord, the owner of the basis of subsistence, to whom both labour and capital must apply for permission to use the earth, from which they draw their sustenance, all the "raw material" of industry, may rest supremely indifferent. While the politicians of the great groups struggle for mastery, he cares not which wins dominion, for his position will be secure so long as the inherent, as it were, law of the State is the political exploitation of the economic means. He is in an almost impregnable position while labour carries on its fight against capital, and politicians struggle for dominion.

Now, however, we have to reckon with another change in degree. The essentials of government remain pretty much the same, but there has grown up, owing to wide differentiation of the bureaucracy, the vast official class: departmental government controlled by almost inaccessible Cabinets. Politicians are therefore become more powerfully autocratic than kingly despots. This growth of power has brought about a wide-spread distrust among the proletariat. Many groups of labour, suspecting the efficacy of the political machine, have lost faith in its power to grind out beneficent reforms. These groups say the politician has failed, and must be "scrapped." The crisis is here. Government is face to face with a new condition. Hence an altogether new movement, partly anarchistic in its nature, called Syndicalism: the general strike with violence. It is quite unnecessary to write the history of the failure of the politician, for it is to be found writ large in the history books of every country under the sun. Strip the politician of personality, let him be re-

vealed without the cant and hypocrisy and bias of the hero-worshipping historian and we shall see how ephemeral is his legislation, and how steadfastly he has ignored fundamental principles. There is, however, a history we might well refer to, for in doing so many misconceptions may be cleared away. The history of Socialism, say of the past hundred and fifty years, is not so easy to find. A great part of it is hidden away in the literature of various schools of political thought. Much of its history has been overlooked by our historians. Much of it has been suppressed in the works on modern Socialism. When one considers how hazy are the notions that the ordinary intelligent workmen and business men have of Socialism, it seems necessary every one should be in possession of at least a brief outline of its history. The many kinds of socialists, the many kinds of reforms that are called socialistic, are just so many indications of a prevailing ignorance that is inexcusable at this time of day. A day in the courts when a so-called socialist is on trial for his or her opinions, will suffice to prove that bedlam reigns on both sides, and that the judge himself, by his comments, is usually not nearly so well informed on the question as the prosecution or the defence. Again, let me point out the very lamentable display of sheer ignorance of many newspaper editors and reporters: Socialist, Communist, Collectivist, Fabian, Labour, Bolshevik, etc., are terms which to them have no particular meaning. Any one may be used as an opprobrious epithet for scaring newspaper readers.¹

¹ "While we hear so much of the horrors of the French Revolution, it is singular that we hear so little of the horrors that caused it. The most infamous injustice, systematically established by law, seems to excite little or no indignation; while the popular reaction consequent on that injustice (although only a consequence flow-

They mean in general anything that one does not like and anything that one is particularly afraid of.

Let me therefore try to shed some light on the meaning and experiences of Socialism. I have already referred to the Socialism of ancient States which many historians have mistaken for democracy. I shall now consider the question since the days of Rousseau, who is regarded by a good many writers as a socialist. Your thorough-going modern state socialist would disown him at once, and rightly so, for Rousseau maintained that "the right of property is the most sacred of the rights of citizens, in some respects even more important than liberty itself." There are many men of the early days of the French Revolution who have been called socialists indiscriminately though their theories diverge widely. Warville said, "property is robbery." Mably believed in the abolition of private property and that all goods should be used communally. Even Turgot, who was as thorough-going an individualist as I know of, has been classed with the socialists of that day. I refer to this period and these men merely to show that there were differences of opinion then, and that were the French Revolution to be enacted again, it is quite likely the uninformed people of this day would call all and sundry in favour of the overthrow of the old régime, socialists. Socialists there were then, but they had very little to do with the Revolution. Anyway, what was advocated as Socialism in that day would not be acceptable to the state socialist of our time. How the author of the *Social Con-*

ing from the laws of human nature), is branded with every epithet that language can supply. Surely this is a most unphilosophical method of studying history."—Patrick Edward Dove, *The Theory of Human Progression*.

tract came to be regarded as a socialist is something of a puzzle. Godwin, whose work, *Political Justice*, startled England at the end of the eighteenth century, has also been classed with the socialists, but though his views were in the early days communistic, he afterwards preached an individualism far too strong for the sensibilities of the smug folk of his day. Nevertheless, it is difficult to understand how Liberalism could have been without Godwin. He was the prime mover of the philosophic radicalism of that day, but like so many pioneers in the philosophy of states he suffered from his absolute opposition to the institution of marriage which he said was a system of fraud. Saint Simon was quite another political personage, for Saint Simon did undoubtedly found a society which preached a doctrine as far removed from state Socialism as individualism is from monopoly. Still his school was socialistic in some respects, notably in its antagonism to hereditary property. Another man, whose name will not be soon forgotten, who added considerably to the political and industrial thought of his time, was Robert Owen, whose teachings undoubtedly paved the way for the great co-operative and trade-union movements. But Owen has been claimed by socialists and radicals, yet he was neither one nor the other. He came after the radicals and before the state socialists. The radicals during the 30's seem to have passed out of sight; they had given place to those imbued with socialistic ideas not yet formulated into a system. But during the period between the revolutions of 1830 and 1848 in France there arose a new school of political thinkers and writers which contained some of the pioneers of modern Socialism. It was about this time that the

word "Socialism" was put into use, but it came without a precise definition. It covered many different methods of so-called reform, and probably because it was vague it seemed to gain immediate popularity. At the revolution of '48 the word was used to convey the desire on the part of the revolutionists for the State to control certain services of production and distribution.

There is a great deal to be learned from a study of the legislation passed by the Provisional Government of the French Revolution of '48. Most of this legislation was fathered by Louis Blanc and Ledru-Rollin. The hours of labour were at first reduced to ten in Paris, and eleven in the Departments; six months later a new law was enacted that the hours of actual labour should not exceed twelve in manufactories and mills. Though the Government did not favour regulation of wages by law, and the abolition of piece work, an agitation took place which compelled employers to abolish piece work and raise wages. All foreign workmen were expelled. The State formally guaranteed work to all who needed it. National workshops were opened, and at one time it seemed that Louis Blanc's dream, that the State should be the supreme industrial organ in the community, would be realized. It is said that over 120,000 men were in a few weeks in receipt of State pay. Idle persons from every direction flocked in to Paris. Prices went up by leaps and bounds. Securities fell, and credit was nearly destroyed. The principal railways were disorganized. On one line the workmen claimed the right of electing the men who directed and controlled them. Employers restricted their business and shortly unemployment increased rapidly. Intimidation was

prevalent, and on one occasion the mob burst into the body of the legislature making extreme demands. The extermination of property and capitalists; the immediate installation of the proletariat into community of goods; the proscription of the bankers, of the rich, of the manufacturers; the destruction of all superiorities derived from birth, fortune, and heredity, so Lamartine tells us in his history of the Revolution, were some of the demands of the mass. Every department of life was reduced to chaos. At one time there were 100,000 workmen in Paris out of work. Industry was completely disorganized. But it all ended in blood. In the four days' fighting which brought the Provisional Government down it is said that there were 16,000 men killed or wounded in the streets of Paris. So ended the experiment of the national workshops.

George Brandes' *Ferdinand Lassalle* is unfortunately a work so little known that one rarely finds it quoted, yet it is invaluable as a statement of the most striking period in the history of Socialism. It is written with the sympathetic charm of a great scholar who thoroughly appreciated the genius of Lassalle. Brandes not only gives us a vivid picture of the man, he deals deftly with the arguments of Lassalle and Marx, and other socialists, and he points out precisely where certain socialists differ from one another. This work is deserving of the closest study, for the influence of Lassalle was far-reaching. He was spoken of as Bismarck's tutor; he was a brilliant pupil of Hegel. The Germany we knew before the war owes not a little to him. Brandes sums up in a paragraph Lassalle's ideals of Socialism:

"If now," says Lassalle, "we turn our gaze from capital property as existing, which has certainly accrued in due correspondence with the prevailing state of affairs, we have the indisputable right to make the property of the future, as yet unproduced, the property of labour, by reforming the methods of production. There is to be no breach with the division of labour, the source of all civilization; only capital is to be once more reduced to its position as a dead implement of work in the service of man. For this purpose it is only necessary that throughout the realm of production individual private capital for productive purposes should be abolished; that the labour of society, which was previously common, should be maintained in employment by the common capital of society, while the profits of production should be divided among the fellow-labourers according to the value of their achievements. The means of transition to the purpose, the simplest and mildest of all, are, in Lassalle's opinion, productive unions supported by State credit."

It is not, however, to Lassalle's teachings that the socialists of today look for guidance. It is rather to Marx from whose theories of value and surplus value the fundamental economic conceptions of Socialism arise. Mr. Thorstein Veblen says: "The Socialism that inspires hopes and fears today is of the school of Marx. No one is seriously apprehensive of any other so-called socialistic movement, and no one is seriously concerned to criticize or refute the doctrines set forth by any other school of 'Socialists'." This may be so in the United States where there has not been anything like the controversy on the subject which has raged in Britain. For those who are not familiar with Marx's great work I shall quote two paragraphs from *Capital* in which he sets out his theories of value and surplus value:

"That which determines the magnitude of the value of any article is the amount of labour socially necessary, or the

labour-time socially necessary, for its production. Each individual commodity in this connection is to be considered as an average sample of its class. Commodities, therefore, in which equal quantities of labour are embodied, or which can be produced in the same time, have the same value. The value of one commodity is to the value of any other, as the labour-time necessary for the production of the one is to that necessary for the production of the other. As values all commodities are only definite masses of congealed labour-time. . . . The value of labour-power is determined, as in every other commodity, by the labour-time necessary for the production, and consequently also for the reproduction, of this special article. . . . The fact that half a day's labour is necessary to keep the labourer alive during twenty-four hours does not in any way prevent him from working a whole day. Therefore the value of labour-power and the value which that labour-power creates in the labour process are two entirely different magnitudes, and this difference of the two values was what the capitalist had in view when he was purchasing the labour-power. . . . The action of labour-power, therefore, not only reproduces its own value, but produces value over and above it. This surplus-value is the difference between the value of the product and the value of the elements consumed in the formation of the product."

It must be said that many socialists of today repudiate these theories; still the vast majority of socialists do not hesitate to preach what has been deduced from them. Numbers of English socialists, however, look for a theory, to Jevons, who takes human desire as a basis of value. Jevons says, "we may state as a general law that the degree of utility varies with the quantity of commodity, and ultimately decreases as that quantity increases." It was, however, Professor von Böhm-Bawerk who, in his masterly work called *The Positive Theory of Capital*, developed and extended Jevons' quantita-

tive theory of value. Max Hirsch renders freely von Böhm-Bawerk's conclusions:

"All human action is prompted by desire and resisted by distaste for exertion. In order that a thing may be produced, the desire for it must conquer the distaste for the exertion which its production necessitates. The acquisition of goods through exchange is dominated by the same law. In an exchange of, say, boots for hats, the desire of one party for hats must conquer his reluctance to part with boots, and vice versa, i. e. the thing to be acquired must be more ardently desired than the thing to be given up on both sides or no exchange can take place. But desire and utility are merely two aspects of the same relation. Men desire things because they are of some use to them, i. e., because they possess utility, unless they can satisfy some desire. Things may, however, be valued from a subjective standpoint — that is, for their power to satisfy the owners' desire for themselves; or from an objective standpoint, when the desire is for other things which they bring through exchange. In either case their value depends upon, and is a consequence of the utility of the things. Hence it is clear that utility is the cause of both subjective or use-value, and of objective or exchange-value."

This, it will be seen, destroys entirely the Marxian theory of value.

Now let us examine his definitions of capital. With Marx the circulation of commodities is the starting point of capital and he says, "as a matter of history, Capital, as opposed to landed property, invariably takes the form at first of money; it appears as moneyed wealth, as the capital of the merchant and the usurer." Such absurd definitions run through most of the works written by socialists and force one to the belief that these socialists never made any serious attempt to find out what capital is. Frederick Engel said, "the appropriation of unpaid labour is the basis of the capitalist's mode of

production, and of the exploitation of workers that occurs under it." Numbers of quotations could be given from works of socialists that are just as absurd as these I have quoted. That they have laboured under extraordinary difficulties to define their terms is undeniable. Some of the greatest intellects of the nineteenth century were devoted to the cause of Socialism, so it must not be imagined that the lack of proper definitions is to be put down to what vulgar critics call "the ignorance of the rag-tag and bob-tail." The Fabian Society of England has members whose names are known all over the world of literature, so when we find Fabian Tract No. 7, "Capital and Land," saying, "when we consider what is usually called capital, *we are at a loss to disentangle it from land, as we are to find land which does not partake of the attributes of capital,*" we must accept the statement as a confession coming from men of intellect who are baffled.

The real fact of the matter is this: the most serious-minded socialists and Fabians have been carried away by theories which they have not submitted to thorough analysis. Actuated by a burning zeal to ameliorate the economic condition of the people, they imagine private enterprise to be the source of evil conditions, and that national undertakings will be for the benefit of the people, because the state will have all power of direction. To them the private ownership of capital seems economically and morally wrong; for have not so many great intellects in sympathy with the poor denounced private property and private enterprise? These men and women have accepted at some time or another all the theories of the socialists without examining their terminology and definitions. How impatient they are with those

who criticize their terminology and definitions, must have been evident to any one who has addressed a socialist meeting when the proposals and conceptions of Socialism have been under close examination. Their gods are gods, indeed, above reproach, beyond criticism. It is just as well to recognize this and not attempt to discredit their intelligence because of their zeal and faith. Would to Heaven their opponents had their zeal and faith in approaching social problems! But if these problems are to be solved we must proceed intelligently, and not perpetuate past blunders. It seems to me the best way to avoid repeating blunders of the past is to realize clearly what is wrong, what the great injustice is, where the great injustice lies, and then agree on the method of righting wrongs.

In considering the proposals and conceptions of Socialism it is first necessary to ascertain what is the conception which Socialism has formed with regard to the relations existing between individuals and the social entity to which they belong. Sidney Webb, in *Socialism in England*, says, "the first step must be to rid our minds of the idea that there are any such things in social matters as abstract rights." Laurence Gronlund in *The Co-operative Commonwealth* lays down the conception for thorough-going State Socialism. He says:

"It" (the conception of the State as an organism), "together with the modern doctrine of evolution as applied to all organisms, deals a mortal blow to the theory of 'man's natural rights,' the theory of man's unalienable right of life, liberty, property, happiness, etc. . . . These so-called 'natural rights,' and an equally fictitious 'law of nature' were invented by Jean Jacques Rousseau. Philosophic socialists repudiate that theory of 'natural rights.' It is Society, organized Society, the State, that gives us all the rights we

have. . . . As against the State, the organized Society, even Labour does not give us a particle of title to what our hands and brain produce."

But the State is not Society. They are as far apart in purpose as they well can be. The purpose of the parasite is to live on another. In neither an economic nor a political sense can it be demonstrated that the State and Society are identical. Organized Society is not the State. Society has not yet under a highly organized State shown any desire to be organized for an economic purpose. As to the State giving us all the rights we have, it may be safely asserted that the State abrogated rights and instituted privileges.

Anyway, Socialism denies natural rights and maintains that the only rights we possess are granted by the State. Thus we are driven back to the days of the Tudors and Louis XIV. Does it mean that George III was right and Paine and Jefferson wrong? Does it mean that the Bourbons' conception of the State was correct and the French Revolution was a mighty blunder? It is not so long since English Toryism scoffed at the idea of natural rights. The literature of the Liberty and Property Defence League reeked with evidences of this conception of Socialism. In Lord Bramwell's *Land and Capital* he says:

"Be it that there are natural rights—that is, in a state of nature, where there is nothing artificial. But men have formed themselves into a social state; all is artificial and nothing merely natural. In such a state no rights ought to exist but what are for the general good—all that are should."

And this denial of natural rights has always been the barrier behind which English landlords have

taken shelter. So Socialism begins its modern career by nestling in the cradle of the Toryism which forced America to declare its independence. The fight then was for the supremacy of the ideal of natural rights, and this ideal animated the hopes of the revolutionists who placed so high a value on the ethical conception of the Independent States of America that they gave the first place in their Declaration to the affirmation of these rights.

Socialism denies to the individual any rights independent of society, so Professor Robert Flint tells us, and "assigns to society authority to do whatever it deems for its own good with the person, faculties, and possessions of individuals." The State absorbs the man, and all is duty without right. All individuals must be subordinate to the will of the State. It would be startling, if there were no history to teach us and guide us.

It is time to warn the people of the danger they approach by supporting the method of obtaining Socialism increment by increment. How many people who are not socialists realize the fact that though socialists governed nowhere in Europe or the United States before the war, their policy was being carried to fulfilment by non-socialist political parties? It is one of the most amazing pieces of political ignorance history records, for a people to attempt to protect themselves from a system of government which they abhor by conceding instalments of that system to palliate and mollify their opponents. Let us therefore clearly understand what one of the fairest critics of Socialism, basing his definition of this system on the statements of the best-known socialists, tells us of the state we are preparing to enter. Hirsch,

[124]

in his *Democracy versus Socialism*, gives us the following definition of Socialism:

"Socialism is an empiric system of organization of social life, based on certain ethical and economic conceptions. Its ethical conceptions consist, generally, of the denial of individual natural rights and the assertion of the omnipotence of the State; specially, of the denial of the right of the individual to the possession of the products of his labour, and the assertion of the right of the State to the possession of the products of the labour of all individuals.

"Its economic conceptions are, that competition and private property in land and capital, and the consequent exaction of rent, interest and profit, i. e., surplus value, by private persons, are social evils, responsible for the material and mental destitution of vast masses of the people.

"On these conceptions are based its industrial, distributive, and political proposals. They are: The gradual abolition of private property in and private control of the instruments and materials of production, land, transportation, trade, loan-capital, and public debts; such abolition to take place without compensation, or through partial compensation only, of present proprietors as a whole. For these private rights it would substitute the collective ownership and management by the community, acting through local and central governmental bodies, of the instruments and materials of production, land, transportation, trade, and loans, continuing private property in and private control of all consumption-goods awarded to individuals as their share of the products of the national industry.

"The only arrangement possible under Socialism, for awarding to individuals a share in the products of the national industries, is, to allot to each an equal share, measured by value, in that part of the national income which remains, after due deduction has been made for the replacement and extension of national capital. The only possible standard of value, labour-time, however, would lead to inequality in the share of the national income obtained by each, and must, therefore, be supplemented or superseded by the arbitrary determination of the value of all products by State officials.

“The political proposals of Socialism are: equal political rights for all adult individuals of both sexes; extension of the powers and functions of local governmental bodies, and international control of international production and trade.”

This definition is eminently fair. Only so-called socialists can quarrel with it, or those writers who weave hazy apologies for the system to soothe those of their disciples who fear catastrophic Socialism.

CHAPTER X

FABIANISM VS. STATE SOCIALISM

"I do not want to live under a philanthropy. I do not want to be taken care of by the government, either directly, or by any instruments through which the government is acting. I want only to have right and justice prevail, so far as I am concerned. Give me right and justice and I will undertake to take care of myself. If you enthrone the trusts as the means of the development of this country under the supervision of the government, then I shall pray the old Spanish proverb, 'God save me from my friends, and I'll take care of my enemies.' Because I want to be saved from these friends."—WOODROW WILSON, *The New Freedom*. Chap. IX, p. 198.

It is not easy to find a work on Socialism which will satisfy all socialists. The literature of the question is voluminous, but a work by a socialist stating clearly the proposals and conceptions of Socialism is rare. The ordinary business man not versed in the economic and political controversies of the schools says it is not only difficult to read bulky works on Socialism, but almost impossible at times to follow certain of the lectures which would explain its proposals and conceptions. I sympathize with such a man. One confessed to me that he had attended the lectures of three fairly well-known socialists, and that the deepest impression they made on his mind was that they contradicted one another

and sometimes themselves. Still, the question, "What is Socialism?" is not a conundrum now. There are numbers of works which set out clearly the ideas of Socialists of many varieties and through thorough analysis of their ideas arrive at a precise definition of the term. In Britain and Australia, owing to constant political discussion, the question is kept properly in the open, and considered freely by the people of all classes. Debates are frequent, and no one is afraid of public discussion. These are perhaps the reasons why Socialism is far better understood in those countries. In Britain there are, of course, several different schools of Socialism, and they frequently quarrel amongst themselves; but on the whole, knowledge of the question is deeper and far more general than here. Socialists themselves in Britain certainly read stronger works by modern writers than American socialists do. Somehow the sociologist has in this country stolen "the thunder of the timid dabblers in Socialism." They have switched the larger question away from its main line on to the side-tracks and by-ways of data, detail, and docketing. These men deal in crossing the t's and dotting the i's of industry and banking; and many of them, showing great aptitude in working up superficial data, showing smatterings of socialist teachings, do not however show in their books that they have one drop of the red blood of true Socialism in their veins.

I set out a little while ago to find the last work on Socialism by an American writer and learned from the booksellers that it was Mr. John Spargo's *Socialism* in a new and revised edition. I bought it and read it. Now let me say at once that I know of no school of socialist thought in Britain that

would accept it as the work of a modern socialist. If there be one, I confess I never came across it. Of course, Mr. Spargo is conscious that his Socialism is a somewhat different brand. He says: "I do not, let me again warn you, set this plan before you as one which Socialism depends upon, which must be adopted. I do not say that the Socialist parties of the world are pledged to this method, for they are not. The subject is not mentioned in any of our programmes, so far as I recall them at the moment." Still, he has boldly entitled his work Socialism. It is however a mixture of Liberalism, Fabianism, and Collectivism with an occasional dash of Marxian misconceptions. Let us give it some consideration.

It is just as well at the outset to know what the question is that we shall discuss. Socialism is the question. And the proposal of the term is now generally accepted as follows: "The State shall control all means of production, distribution, and exchange, for the equal benefit of all, and that the State shall have power to do what it wills with persons, their faculties and possessions." The proposal is logical. It will bear the closest analysis. But this is State Socialism! Of course it is. What other is possible? One may not like the system which this proposal would set up, but no one can quarrel with the logic of the proposition. Analyse it carefully and it will be found to be a succession of necessary consequences arising out of the premise, *The State shall control all the means of production.* If the State control all the means of production it will necessarily control all distribution and exchange. All the means of production must include all natural resources and all capital. Therefore, State con-

trol of all land — natural resources — and capital will mean, and must mean for success of production, State control of all producers. No State so organized could permit friction in the ranks of labour. Where competition and interest are abolished, the share of goods produced must be for the equal benefit of all: labour and capital.

But Mr. Spargo will have none of that. It is the word "all" that makes all the difference with him, so far as the proposal is concerned. For he realizes that we are "alike in our needs of certain fundamental necessities, such as food, clothing, shelter," etc., but that we are unlike in tastes, appetites, temperaments, character, will, and so on. Therefore the word "all" must go. And for State Socialism he substitutes his own brand. He says, "The basic principle of the Socialist State must be justice." Again, another reason for eliminating the word "*all*." Furthermore, the political organization of Mr. Spargo's socialist State "must be democratic." He says, "Socialism without democracy is as impossible as a shadow without light." No wonder he has to confess his Socialism is not mentioned in any socialist programmes. His "Socialism is political democracy allied to industrial democracy." And this is to be the "economic structure of the new society":

(1) Ownership of all natural resources, such as land, mines, forests, waterways, oil wells, and so on;

(2) Operation of all the means of transportation and communication other than those of purely personal service;

(3) Operation of all industrial production involving large compound capitals and associated labour, except where carried on by voluntary, demo-

cratic co-operation, with the necessary regulation by the State;

(4) Organization of all labour essential to the public service, such as the building of schools, hospitals, docks, roads, bridges, sewers, and the like; the construction of all the machinery and plant requisite to the social production and distribution, and of things necessary to the maintenance of those engaged in such public services as the national defence and all who are wards of the State;

(5) A monopoly of the monetary and credit functions, including coinage, banking, mortgaging, and the extension of credit to private enterprise."

So we have a system in which *all* natural resources are to be under State control. He need go no further. The rest is taken care of by the State. State control of *all* natural resources is the basis of State Socialism, and *all* the means of transportation, and *all* the industrial production, and *all* labour, will be organized and operated by the State which has control of *all* natural resources. Competition from voluntary, democratic co-operative industries could not be permitted, for not only must there be one price, there must also be one wage.

The system Mr. Spargo would set up seems to be one in which all its virtues will be found in its practice and all its defects in its theory. Never did any one reveal such faith in the State. Hegel is surpassed. Treitschke is dethroned.

Now let us see how Mr. Spargo juggles with the old socialist phraseology. He does not like the phrase "all the means of production, distribution, and exchange." He says:

"Even in the later propaganda of the modern political Socialist movement, there has been more than enough jus-

tification for those who regard Socialism as impossible except under a great bureaucracy. In numberless Socialist programmes and addresses Socialism has been defined as meaning 'the social ownership and control of all the means of production, distribution, and exchange.' Critics of Socialism are not to be seriously blamed if they take such 'definitions' at their face value and interpret them quite literally. It is not difficult to see that in order to place 'all the means of production, distribution, and exchange,' under social ownership and control, the creation of such a bureaucracy as the world has never seen would be necessary. A needle is a means of production quite as much as an electric power machine in a factory, the difference being in their degree of efficiency. A jack-knife is, likewise, in certain circumstances, a means of production, just as surely as a powerful planing machine is, the difference being in degrees of efficiency. So a market basket is a means of distribution quite as surely as an ocean steamship is; a wheelbarrow quite as much as a locomotive. They differ in degrees of efficiency. The idea that the house wife in the future, when she wants to sew a button on a garment, will be obliged to go to some department and 'take out' a needle, having it properly checked in the communal accounts, and being responsible for its return, is, of course, worthy only of opera-bouffe. So is the notion of the State owning wheelbarrows and market-baskets and making their private ownership illegal. 'The socialization of *all* the means of production, distribution and exchange,' literally interpreted is folly."

Is it? Let us see. First, we must grasp Mr. Spargo's point: that a degree of efficiency will determine whether capital should be state owned or left in private possession. The degree is reached when capital is efficient enough to exploit the worker. He does not tell us this in so many words but his argument can lead to no other conclusion. In the second place we must see clearly Mr. Spargo's point as to the difference between "capital" and capital. He tells us, "Capital, therefore, is wealth set aside for the production of other wealth with a view to its

exchange at a profit." If this be so, why should a needle, a jack-knife, or a market-basket be left in private hands? These are capital, wealth set aside for the production of other wealth, and, according to Mr. Spargo, with a view to its exchange at a profit. For he tells us, "wealth, which in certain simpler forms of social organization consists in the ownership of use-values, under the capitalist system consists in the ownership of exchange-values. Therefore a needle, a jack-knife, or a market-basket having no use-value because this is not a certain simpler form of social organization, must have an exchange-value, and can be exchanged at a profit.

But there is another form of wealth under the capitalist system which, he says, consists of use-values. He makes this statement: "In modern society wealth consists of social use-values, commodities." If wealth under the capitalist system consists in the ownership of exchange-values, how can wealth in modern society consist of social use-values? Seemingly we must infer that wealth produced from capital consists of exchange-values — wealth produced with a view to its exchange at a profit; and wealth — just wealth, that wealth which is *not* capital — in modern society consists of social use-values, commodities. So another term — commodities — is added to the utter confusion of the reader. Then he tells us, "We must, therefore, begin our analysis of the capitalist society with an analysis of a commodity." But we have read 238 pages on "Socialism" before we reach this stage in the argument. Now we must discover what a commodity is. He quotes Marx who says, "A commodity is in the first place an object outside us, a thing that by its properties satisfies human wants of some sort or another.

The nature of such wants, whether, for instance, they spring from the stomach or from fancy, makes no difference. Neither are we here concerned to know how the object satisfies these wants, whether directly as means of subsistence or indirectly as means of production." This definition of a commodity given by Marx does not however satisfy Mr. Spargo. It does not go far enough to suit him, and he sets out to destroy one of the main supports of his champion's argument. Mr. Spargo says: "But a commodity must be something more than an object satisfying human wants. Such objects are simple use-values, but commodities are something else in addition to simple use-values. . . . In addition to use-value, then, a commodity must possess exchange-value." So we have now reached the point where all use-values which have no exchange-value as commodities in modern society, turn out to possess exchange-value, or be of no value. He says a commodity produced by him for his own consumption has no value. "It will have no economic value unless it will satisfy the want of some one else." He does not see the process of production and exchange at work when he wrote *Socialism* for "profit." He does not see that for his service he exchanged a book for food, fuel, clothing and shelter. Has his book only an exchange-value? Perhaps it was intended for a social use-value. He says, "So, unless a use-value is social, unless the object produced is of use to some other person than the producer, it will have no value in the economic sense: it will not be *exchangeable*."

What he is driving at seems to be this: having committed himself to the Marxian theory of value and learning later that it is not sound, he is desirous

of rendering a new interpretation of it in the light of fundamental economists. He fails signally. Nothing but confusion arises from his task. But he cannot get away from the blunders of his teacher. He is trying vainly to say in a less direct and blunt way what Marx said: "We know that the means of production and subsistence, while they remain the property of the immediate producer, are not capital. They become capital only under circumstances in which they serve, at the same time, as means of exploitation and subjection of the labourer."

Here it is set out as clear as day that what is not used to exploit and subject the labourer is not capital, and that all income taken by the capitalist is filched from the labourer. A tractor used by a farmer, an immediate producer, is not capital. When it is used by a company of farmers it is capital. When it is not in use it is a tractor, when it is used by an immediate producer it remains a tractor, but the moment a company of agriculturists use it, it becomes capital. And yet Mr. Spargo tells us: "Capital is wealth set aside for the production of other wealth with a view to its exchange at a profit." So the tractor used by an immediate producer must not be used in assisting to produce anything beyond his own requirements. All the machinery used by the British Wholesale Co-operative cannot be classed as capital, for they are the immediate producers. Is a woollen mill during a lockout capital? No, because it is not working, so Mr. Spargo would reply. Is a soap factory working at a loss, capital? What then? My wife uses her needle to make certain garments for her own use. The needle in that case is not, according to Mr. Spargo, capital. But my wife calls in a seamstress to assist in making a garment for her

daughter. Then the needle used by the seamstress becomes capital because exploitation and subjection of the seamstress makes it so. But if my wife pays the seamstress much more than the market rate of wage, and she is neither under subjection nor exploited, what then?

Mr. Spargo should begin all over again. When any one can say, as he does, that, "Marx was a great master of the art of luminous and exact definition . . .," it is time he should be advised to reconsider a system based on the theories of one whose definitions are anything but exact. Take the very statement selected by Mr. Spargo to show Marx's "art of luminous and exact definition." Mr. Spargo says, "nowhere is this more strikingly shown than in this opening sentence of *Capital*: The wealth of those societies *in which the capitalist mode of production prevails* presents itself as an immense accumulation of commodities, its unit being a single commodity!" The italics are Mr. Spargo's. Now this is nothing but a preposterous misconception of the process and history of production, and Marx himself was conscious of the blunder he had made when he wrote the final chapter of *Capital*. This chapter, called "The Modern Theory of Colonization," refutes most of the theories he laid down in the early part of his book, and if Mr. Spargo will re-read the story of Mr. Peel's colonial experiment he will find this is so. Marx says:

"Mr. Peel . . . took with him from England to Swan River, West Australia, means of subsistence and of production to the amount of £50,000. Mr. Peel had the foresight to bring with him, besides, 3000 persons of the working class — men, women, and children. Once arrived at his destination, Mr. Peel was left without a servant to make his bed or fetch him water from the river."

Because they were free to use the land, and produce for themselves. There was no landlord waiting to collect rent.¹

And Marx in considering this incident is forced to say "the expropriation of the mass of the people from the soil forms the basis of the capitalist mode of production." Therefore, Marx refutes Marx. For an immense accumulation of commodities preceded what Marx calls the period of capitalist mode of production. Commodities had exchange value before the mass of people was expropriated from the soil. Why then all this pother about capital? Why cannot Marxian socialists take Marx's final words and begin at the beginning of the process of production — with land? Marx says: "the capitalist mode of production and accumulation, and therefore capitalist private property, have for their fundamental condition the annihilation of self-earned private property — in other words, the expropriation of the labourer." That is, the exclusion of labour from the land.

Here Marx is right. But how is the labourer to win back his economic freedom? By forcing land into use through the taxation of the value of land. Then, as Oppenheimer says, "the system of vast territorial estates falls apart. When, however, it has disappeared there can be no oversupply of 'free labourers.' On the contrary, two masters will run after one labourer and must raise the price on themselves. There will be no surplus value for the capitalist class, because the labourer himself can form capital and himself become an employer. By this

¹ Mr. Jefferson remarks there were no poor in the United States in his day, because any one who was dissatisfied with the conditions of industry could go out on free land and "labour the earth for himself."

the last remaining vestige of the political means will have been destroyed, and economic means alone will exercise sway. The *content* of such a society is the pure economics of the equivalent exchange of commodities against commodities or of labour force against commodities, and the political *form* of this society will be the 'freemen's citizenship'."

CHAPTER XI

MUNICIPALIZATION AND NATIONALIZATION

“Then there is the question of conservation. What is our fear about conservation? The hands that are being stretched out to monopolize our forests, to prevent or pre-empt the use of our great power-producing streams, the hands that are being stretched into the bowels of the earth to take possession of the great riches that lie hidden in Alaska and elsewhere in the incomparable domain of the United States, are the hands of monopoly. Are these men to continue to stand at the elbow of government and tell us how we are to save ourselves,—from themselves? You can not settle the question of conservation while monopoly is close to the ears of those who govern.” WOODROW WILSON, *The New Freedom*, Chap. III, page 77.

THE question of the municipalization of public utilities has always been of very great interest to a large number of people who are opposed to State Socialism. There are, besides, numbers of people who favour the policy of municipalization of public utilities who will not give their support to schemes for nationalizing railways, canals, mines, and oil fields. There seems to some inconsistency here. Often enough, the socialist is puzzled when a supporter of municipalization repudiates the gospel of Socialism. Why, it is asked, if you favour municipalization do you oppose nationalization? Now economically and politically there is a slight difference

lying between municipalization and nationalization. Let me attempt to make as clear as possible what this difference is.

What are the services that are to be municipalized? They are electric light, gas, water, local rail and trolley systems. The coal and milk supply have been suggested as fit services for municipalization, but these and other industries of a like nature I will not consider here, because they differ fundamentally from those services I have mentioned above; for local public utilities of the class I have referred to can be operated only by using a public franchise. It is impossible for the individual to make his own electric light, his own gas, to supply himself with water, or provide himself with all the facilities of transport. And it would be impossible for a company of individuals to supply the community with these necessities without using the streets and foot-paths for wires, pipes, and rails. Therefore the individual, being unable to return to a primitive method of supplying his wants by his own exertion, has to rely on company enterprise to serve him. But no matter whether the company service be good or bad, or prices be comparatively high or low, it must be recognized that the services could not be operated unless a legal privilege were granted to use the roads and foot-paths for laying conduit and rail. It is this legal privilege which enables these privately conducted companies to levy a toll over and above the value of the service, from those who avail themselves of the service. Competition being excluded where a public franchise is used, places the user of it in a position to extort monopoly values from the public. Hence the demand to municipalize these undertakings. This, of course, would not be necessary

if the community charged the company the full monopoly value for the use of the roads and foot-paths, and if this were done competition would follow and the public would gain in quality and quantity of service. So there is a difference between municipalization and nationalization, and that difference is that the roads used by the purveyors of electric light, gas, water, local railways and trolleys, already belong to the people; the roads are their roads; they pay for the making of them, and the extension and upkeep of them. Max Hirsch in *Democracy versus Socialism* deals with the principle in this way:

“ Even where the legal right to use the streets is not exclusive, but merely privileged — as, for instance, in gas, electric light, and similar companies which have been accorded the right to lay their mains and cables below the public streets — the impossibility of granting the same privilege to every member of the community acts as a deterrent to competition, and therefore produces monopoly values. This tendency is increased through the fact that wherever competition is limited combination is feasible. The certainty that similar privileges cannot be granted indefinitely enables competing companies for the supply of gas, water, electricity, and similar commodities, as well as competing railway companies, to amalgamate or pool their receipts. The limitation of competition arising from privileged use thus ultimately results in the elimination of all competition, and in the establishment of the same monopoly and the creation of the same monopoly charges and monopoly values as where the legal privilege is exclusive. All such legal privileges, therefore, are more or less of the nature of toll-gates; their value is not a sign of the existence of any real capital, but consists merely of the capitalized value of a tribute which the possession of such legal privileges enables their owners to exact from others, without rendering service or adequate service in return.”

When the socialist says that he cannot understand why one should be in favour of municipalization and

opposed to nationalization, he certainly feels there is little or no difference in principle between the two schemes, and that the principle of nationalization, as he considers it, is already granted. It seems so, but the trouble with him is that he has not looked very deeply into the question. The question of control and management is of vital importance in either scheme, and, in the case of municipal ownership of public utilities, control and management can be better regulated in the interests of the community than can schemes of nationalization under a highly centralized body, where criticism might not reach the national directors, or if it did, be ignored by them. There are to be found in Great Britain many instances of municipal success in owning and operating certain local services, where experience has shown that the local body is quick to act upon public opinion, and that the public take a most intelligent interest in the conduct of their local undertakings. Besides, the very fact of the local community knowing that the roads are theirs is sufficient, it is held, to keep them in touch constantly and directly with the departments. How would it be under a system of nationalization? Why, there is no comparison so far as interest and control are concerned! The present experiment with the railways is an excellent lesson to be learned in this respect.

In giving further consideration to schemes of nationalization let us turn our attention to mines, oil fields, forests, and water-power, before we deal with land transportation. Let us again point out the danger of the policy of getting Socialism increment by increment. This insidious method is particularly effective; we are being socialized without our consent. There is, or there was, a separate body ad-

vocating a separate scheme of nationalization for these industries. In Britain there were societies quite distinct from one another advocating the nationalization of mines, the nationalization of railways, and the nationalization of canals. These were not socialist bodies; indeed numbers of worthy Liberals and Radicals gave their support to these objects. A well-known English socialist referred to this state of affairs and said with a chuckle, "we socialists preach the full gospel, and you Liberals make it easy by giving us homeopathic legislative doses." His meaning was clear enough though his metaphor seemed a little mixed. Nevertheless, to nationalize the mines in Great Britain or here will be no easy task. In the first place it is going to be very difficult to arrive at a real valuation, and as no one seems to have stated clearly what is meant by the term "mine," or "mines," there must be some earnest thinking done before the process of valuation is begun. What is to be valued? The working "mine" or "mines"? Are the plant, the company's rails, cars, locomotives, etc., together with the coal, mined and unmined, the royalties, dead-rents, way-leaves, etc., to be valued? Or will some expedient such as was suggested in relation to railways in England be adopted? The basis of purchase in Mr. Gladstone's Railway Act of 1844, which gave the State power to buy railways, constructed after that date, was, "twenty-five times the average annual profit during the three years preceding the date of the giving of the aforesaid notice"—three months notice was required. Such an expedient would be an utterly iniquitous thing to adopt. Let us ask whether any important body of business men would agree to State purchase on such a basis. Still, if the

public were so unreasonable as to agree to these terms, what would the public get for their money? The working mines and the capital of the companies? Are these all we have to consider in a scheme of nationalizing mines? Certainly not. The most important economic factor in the whole business is entirely left out of consideration. And that is the coal areas that are at present unproductive. According to the report of the United States Geological Survey there were recently 1,992,979,000,000 tons of easily accessible coal still available, and 1,153,225,000,000 tons of available coal accessible with difficulty. A few years ago the total area underlaid by coal measures amounted to 496,776 square miles. Now if coal is to be nationalized in the interest of the people of the United States, a valuation act is imperatively necessary, for there should be no half-measures taken if the scheme is to be put through — it must be all or nothing. It must be for the benefit of the people as a whole. But the socialist sees only so far as the labour and capital factors in this matter. He does not see the economic effect upon wages of vast areas of coal withheld from production. When, however, he does realize the economic effect of the power to limit supply, by withholding areas not yet mined, he will demand a valuation act of all coal areas, mined and not mined, and when the valuation is made and agreed upon he will probably see that it is better to tax the monopoly value, which the act will clearly indicate, than bother about his scheme of nationalizing working mines on a purchase basis.

What I have said of mining and coal areas may be said of ore and oil areas. There are six great fields containing oil of various compositions, and in

1908 the known areas productive of oil contained a supply estimated at from 15,000,000,000 to 20,000,000,000 barrels. The National Conservation Commission has told us of the enormous loss through misuse. That there has been shocking waste is generally conceded by those who have studied the question of oil production at close quarters; indeed, there are people who advocate the nationalization of the oil wells of the country as a means of checking waste. Whether nationalization be considered for this particular purpose or any other, nothing can be done of value to the people without a valuation act. But before the question of valuation is considered there should be another searching survey of the whole of the country carried out by impartial experts.

Though the difficulties which face the nationalizers are great, when they set out to survey and value coal and oil regions, they should not overlook ore areas, ore of all kinds. Their task is going to be an exceedingly difficult one, yet I fully agree survey and valuation are absolutely necessary whether we nationalize or no. All lumber regions should be surveyed and valued and water-power should not be forgotten.

This lack of analysis of land and capital on the part of the socialist is fatal. Ignoring the passive factor in production, he is driven to fight against what he calls capitalism. He feels that there is a great injustice in the world of industry, and, because he will not look deeply into the subject of production, he imagines that injustice lies somewhere between labour and capital, the active factors in production. He argues that the labourer who produces does not get enough, and of that he has unimpeachable evidence in the condition of the people round about

him. Therefore he imagines that the other active factor in production is to blame for the inequalities of the distribution of wealth, and that the capitalist withholds from labour an unfair share of the value of the product. Again let us point out a momentous inaccuracy in his reasoning. Capital does not pay labour, though to the socialist he seems to do so, when the agents of the capitalists give the workmen their pay envelopes. But it only seems so, *seems* because the pay envelopes contain a check, or bill, or coin, which are after all merely media of exchange. Labour pays capital interest, and interest is merely what labour pays for the use of that part of wealth, produced by labour, to assist in the production of more wealth. When the socialist sees clearly the difference between capital proper and spurious capital, then there will be some chance of getting justice done. Spurious capital in no way assists production for it is merely a legal right to tribute. Rights of debt and monopoly rights — legal enactments which grant privileges, these are the cause of the trouble, and the only way to remove this cause is to tax monopoly value. So long as the socialist carries on his war against the capitalist, labour will never get justice. Labour may strike, and strike again, and if the strike be successful he may get a rise in nominal wage and shorter working hours, but the cost of living will as surely rise against him as the sun will rise tomorrow. It should be evident to socialists by now that the policy of taking what they call more and more of the profit from capitalists by strikes and demands for shorter hours does not enrich labour generally nor impoverish the capitalist. Surely the history of strikes proves this: that strikes perpetuate strikes. And

this must be, for rent and the cost of commodities must rise with each rise in nominal wage. There is scarcely an instance of any importance where this has not occurred. In recent years we have only to consider the effect of the railway strike in England, which took place before the war, when railway employés received an increase of nominal wage which was very soon swallowed up in the rise of the cost of commodities which followed the rise in railway rates, sanctioned by the Government. Railway legislation in the United States teaches the same lesson. But the same tendencies are to be found in indirect "benefits." Certain social reforms which are superficial and palliative have the effect of raising the cost of necessities and rent: to wit, old age pensions and insurance for sickness and unemployment. All these hoary expedients should now be abandoned. The reduction in the cost of purchasing power is a pretty clear indication of the impossibility of enriching labour by palliatives and strikes, and low wage purchasing power has recently been hammered down almost to the vanishing point.

Let us now consider the question of the nationalization of railways. This is a subject which is engrossing the attention of millions of people in the United States and Great Britain. The war has brought the railway question into the arena of practical politics, and now it seems not so much a matter of whether railways should be nationalized, but rather how and on what basis nationalization should take place. It is said that it is not possible to return to pre-war conditions with respect to railways. This is another instance of the insidious method operating in favour of State Socialism. Owing to the emergency of having to take the railways over for

war purposes governments have suddenly, as it were, created a vast public opinion in favour of nationalization. There was before the war an undoubtedly large demand for the nationalization of railways both here and in Great Britain. It seemed to many people a fit service for government control. How often have we heard it said that as the State controlled the postal service there could be no practical reason why the government should not control all railways, telegraphs, and telephones? The postal service is the peg on which the socialist hangs any number of his nationalization hats. There is, however, a great misconception in relation to the postoffice which should be cleared up. Let it be said that the mail coach system was not at first a government service; it was begun and carried on successfully by Palmer against great official opposition. Rowland Hill, the English postal reformer, arrived on the scene very late in the history of the service. And as Herbert Spencer points out in *The Man versus The State*, the government did not step in until private enterprise had established a system which for service compares favourably with what we have today. Spencer says:

“Respecting the general question whether, in the absence of our existing postal system, private enterprise would have developed one as good or better, I have been able to say only that analogies like that furnished by our newspaper system, with its efficient news-vending organization, warrant us in believing that it would. Recently, however, I have been shown both that private enterprise is capable of this, and that, but for a legal interdict, it would have done long ago what the State has but lately done. Here is the proof:

“To facilitate correspondence between one part of London and another was not originally one of the objects

of the Post Office. But, in the reign of Charles II, an enterprising citizen of London, William Dockwray, set up, at great expense, a penny post, which delivered letters and parcels six or eight times a-day in the busy and crowded streets near the Exchange, and four times a-day in the outskirts of the capital. . . . As soon as it became clear that the speculation would be lucrative, the Duke of York complained of it as an infraction of his monopoly, and the courts of law decided in his favor.—Macaulay, *History of England*, 1866, i., 302-3.'

"Thus it appears that two centuries since, private enterprise initiated a local postal system, similar, in respect both of cheapness and frequency of distribution, to that lately-established one boasted of as a State-success."

This is a point well worth remembering, for even in England, where the postal service is infinitely better than that of the United States, there are any number of people who believe it would have been better done in the hands of private companies. In considering these questions it is unwise to imagine the State initiated and perfected the systems which it controls. It is to private enterprise thanks are due for every service, whether conducted with efficiency or not, which the State controls. The State perhaps initiated only two services — both destructive: the army and the navy.

Therefore, I would emphasize the fact that private enterprise is not to be blamed for the deficiencies in the railway system. It is often said that government has made the railway system what it is. Interference and restriction, following a period when unwise and prodigal administrations neglected to take monopoly values, were to blame for so many of the evils which have arisen in connection with railways.

It has been said that the Government will have to meet this year an enormous deficit on railway

revenue. To meet this deficit another advance in freight rates seems necessary. That such an advance will increase the cost of living no one will deny. But if that be done a further advance in wages will very soon be necessary. Then it seems only a question of time when we shall have a bankrupt service on our hands, for it is not to be expected that there can be either much economy practised, or with a sinking purchasing power there can be any material increase in the volume of traffic. On the other hand, it is generally admitted that a reduction in wages is not to be thought of for a moment. To quote from an article by Mr. Arthur Sears Henning, it is estimated that the increase in the railroad payroll will reach \$1,000,000,000 a year. This is a very grave state of affairs, and those who think the way out of the difficulty is for the Government to keep the control of the railways, merely express a desire to be rid of a service which now seems to be beyond the power of private enterprise to conduct profitably. The war seems to have made it impossible for the Government to relinquish control of the railways, and it seems that the opportunity of placing the service on a productive basis conducted by private enterprise has passed. There was a possibility, so long as the railways remained in the hands of the directors and shareholders, of making a business-like deal for their purchase by the Government. Such a deal as I have in mind would not have satisfied the shareholders and employés, not at first; but it would have been a deal which would have insured the industrial future of the service, one indeed that would have met with the approval of the public, who in any event must be taken directly into consideration. The question of the nationalization of railways is

just now receiving much attention in Great Britain. The Government over there had to take over the railways during the war, and now that the war is over Mr. Churchill has told the people at the recent election that the Government had decided to nationalize them. The consequence of the Government running the railways for war-purposes has made nationalizers of railway shareholders by the thousand. A leading British weekly says, "they (shareholders) look to the public exchequer and the taxpayer to secure their property against the inroads made by labour with the consent and assistance of the Government, and have made up their minds that a handsome Government security will be better for them than the precarious ownership of railway shares." Now this is just what has happened in the United States. But in Britain there is a great public opinion which realizes that State control of the railways is only the beginning of a general scheme of nationalizing primary industries. It is said other schemes of nationalization are inevitable in the early future. Then a note of warning is flung out, a note which may come too late to warn Americans before they take the final step:

"Now, long convinced of the desirability of this large step in State Socialism, we have always urged the necessity of a close public scrutiny into the conditions under which the national acquisition of the railways should take place. The Government ought not to decide to buy the railways before Parliament has had ample opportunity to consider the terms of purchase. Not merely the question of the railways is involved. Other schemes of nationalization are inevitable in the early future. Under them large amounts of public money must be paid for the purchase of private properties and interests—in land, mines, public-houses, and other valuable assets. Unless we embark upon this business

with strong safeguards against a policy of plunder, we are lost. The strongly-organized private interests, commanding, as the railways do, powerful advocacy in both Houses of Parliament, will do their utmost to fasten upon the public ruinously high terms of purchase and of compensation. The first safeguard of the people is to insist that before any decision to purchase is announced, the various bases of valuation shall be examined, and the results placed before Parliament in such a form as to enable it to strike a fair bargain. When some years ago, Switzerland decided to consider nationalizing its railways, *it first passed a Valuation Act*, and then proceeded to an Act empowering the Federal Government to acquire the properties."

It is this essential Valuation Act that is required. In that way we shall be able to separate land and capital, and therefore estimate what the capital is worth to the people. The value of the land can be taken in taxation, and should be taken in taxation. Only in that way can labour, capital, and the public be treated fairly. No one has pointed out this difference in land value and capital of railways so clearly as Hirsch. He says:

"The capital of the undertaking consists of the present value of the road — improvements, plant, buildings, material, etc., less such wear and tear as they have undergone. Suppose any one were to offer to buy any English railroad on such a valuation, or even on the value for which all its capital might be replaced now, without deducting anything for wear and tear. The directors would certainly regard him as a lunatic. Yet if any one offered to buy an ordinary factory of similar age on such terms he would be received with open arms. Whence then the difference? It arises from the fact that the Legislature has given to the railway company a special privilege, i. e., the exclusive use of a narrow strip of land hundreds of miles long, unbroken by any roads or other rights of use. Having the exclusive right of use to this land, the railway company can charge more for carrying goods and passengers over it than if competing carriers were allowed to run trains over it. The difference

between competitive rates and the monopoly rates which the company now charges is a toll on industry as much as the toll levied at the gates in the preceding illustration. Capitalized, this toll forms part of the value of every railway stock. The value of railway shares is thus composed, partly of the values of the capital employed in the undertaking, and partly of the capitalized value of the legal power to levy tribute."

Here the principle is stated, and the principle is the same everywhere where railways are operated by private enterprise, though there may be many important differences in the detail of running a railway here and in Great Britain. Let us, however, bear in mind the necessity of an *act of valuation* as the first step, whether the railways are nationalized or returned to the owners. There is a limit to the old method of raising wage and increasing rates. That is nothing more or less than the old scheme of robbing Peter to pay Paul. At the time of the railway strike in Britain, 1911, Government intervention took place, and wages were raised with Government consent. What was the effect? The companies immediately raised passenger and freight rates. Mr. Lloyd George then described the situation in this way:

"We (the Government) are simply giving the railway companies a right which is now extended to every business man in the country. . . . If there is a great settlement between colliery owners and their employees, or great cotton spinners, or in any other industry which involves a heavy increase in the labour bill, they pass it on, and they are entitled to pass it on."

There must be a limit to the policy of passing it on, and it seems to me that if we have not yet reached the limit, we are so near it that it makes not much matter.

CHAPTER XII

DEFINITIONS

"We are in a temper to reconstruct economic society, as we were once in a temper to reconstruct political society, and political society may itself undergo a radical modification in the process. I doubt if any age was ever more conscious of its task or more unanimously desirous of radical and extended changes in its economic and political practice."—WOODROW WILSON, *The New Freedom*. Chap. I, p. 30.

SOME one has said that all education should begin with the teaching of political economy: the science of wealth. Usually this branch of knowledge is left until the scholar has entered the high school or the university. Why this should be is not easily explained, for the elements of political economy are so simple, the child in the kindergarten stage could learn them. It is, however, a rare thing to find a business man who can name the factors in production; it is rarer still to find one who can define the factors in production. Not that there is any mystery about it, not at all. The literature on the question is voluminous and many great minds have been at work during the past fifty years writing handy volumes dealing with the A B C of the subject. Now if we are to have a clear understanding of the misconceptions of Socialism, Syndicalism, and Toryism, we must get hold of the factors in produc-

tion and have no doubt as to their precise definition. Creighton, in *Introductory Logic*, says:

“The remedy for the obscurities and confusions of words is to be found in clear and distinct ideas. We must endeavour to go behind words and realize clearly and distinctly in consciousness the ideas for which they stand. Now, the means which logic recommends for the attainment of this end is definition.”

The professional economists have been slow enough in clearing away obscurities and finding precise definitions. Socialist writers have not been alone in their troubles of separating land and capital and in making up their minds as to what is really wealth. The heroic service rendered by one of America's deepest thinkers, Henry George, is, however, now bringing forth fruit. Though business men in many parts of the world are putting his theory into practice, he has received scant recognition from those economists who teach the science of wealth in our great centres of learning. There should be no difficulty now in differentiating land and capital. It is a process in practice, performed regularly, by people occupying at least one half of the surface of the earth. Yet the socialist makes scarcely any progress, and still speaks of privately owned “capital” as an iniquitous thing. We still hear tirades against what they call the “capitalistic” system. In this respect they have scarcely travelled forward a yard beyond the time of Karl Marx. Let us therefore look at the terms for the factors in production and see if we cannot arrive at definitions that will stand the test of thorough analysis.

Political economy has to deal with three objects: matter, producer, and product. The first has been

named land; the second labour; and the third wealth. The primary factors in the production of wealth are labour and land. Men produce in order to consume, indeed the sole object of production is consumption. But we cannot very well understand the initial process of production unless we fix firmly in our minds what is the motive of mankind, for all political economy begins from that point. It is axiomatic that men seek to obtain the satisfaction of their desires with the least exertion. Now in order to satisfy their desires they must produce. The history of production has, however, been neglected by the economist. He has left it to be traced from its beginning by certain biologists and philosophers. Excellent historian as Marx was, his historical background, large as it is in the industrial sense, was at best only a very incomplete history of production.

Primitive man was a helpless creature, of all the animals the most helpless. Born without an implement he had to rely on wild fruits and fish. Scarcity and exertion drove him to invent and produce capital, an implement to lighten his labour and insure a crop of food. It was then that he discovered he was "lord of the fowl and the brute" and realized he was the only animal that could reproduce its food. Capital is therefore secondary to labour and land as a factor in the production of wealth, it increases the efficiency of labour and is used in the production of further wealth. Therefore, capital is wealth, but that part of wealth that aids in the production of further wealth.

Let me now set out the terms of the three objects with which political economy deals and define their terms according to Max Hirsch.

✓ Land comprises all matter none of the potential

utility of which has been developed by labour. If this definition of land be the true one then capital cannot be land, nor land capital, for land includes all the free gifts of nature, all matter as it proceeds from the hand of nature, whether it is in the form of water, air, a bed of ore, or any part of the dry surface of the earth. One of the greatest misconceptions in the minds of millions of people is that of speaking of a farm as land. There may be some excuse for that notion in an old country like Britain where the greater part of the land has been used for centuries for agricultural purposes, but there is no excuse for the people of the United States and Canada calling a farm land. The farmer makes the farm. The building, the fences, the roads, the drains, etc., are the products of labour, and are quite distinct from the land that was there before the farmer proceeded to make the farm. Land is created, not produced.

✓ Labour comprises all human exertion, whether brain or muscle, or both, applied directly or indirectly to the development of the potential utility of matter. It does not matter whether the exertion is of the brain that plans and directs or of the hand that executes, so long as the object of the exertion is to develop utility in matter. It is the object, not the character, of the exertion which determines its economic classification. Just as we all produce to satisfy our desires, that is to consume, so is it with all human exertion that the object is the determining factor in economic classification. There are, however, numbers of men whose exertions aim, equally with labour, at the satisfaction of human desires, who cannot be included in the term labour. These men are of what is called the professional classes;

they are teachers, lawyers, doctors, authors, actors, singers, etc., and they do not apply their exertion, directly or indirectly, to the development of the potential utility of matter, so they are comprised under the term "services." They render service to labour.

✓ Wealth comprises all matter the potential utility of which has been partially or fully developed by labour. All the real wealth which men can produce is divided into two classes, because these two classes differ from each other in their economic object and character. In the first class is that form of wealth which can directly satisfy a human desire. In this class will be found food, clothing, fuel, and shelter, with such adjuncts as furniture and ornaments, and certain simple forms of transport. In the second class we shall find those forms of wealth which cannot directly satisfy any human desire; they are forms of wealth which can facilitate production, and consist of roads, bridges, railroads, canals, factories, shops, warehouses, machines, tools, coin, and other similar products of labour. All the real wealth which men can produce is comprised in these two classes. Land is not wealth, but the source of wealth. Health, strength, and ability are not wealth. And from the category of wealth there must be excluded all documents and paper which confer a legal right, not to some particular wealth, but to wealth generally, of the value indicated in the document. Documents and paper are merely evidences of debt, and these evidences are bonds, shares, debentures, mortgages, banknotes, checks, bills of exchange, and promissory notes.

✓ Capital comprises all wealth (a) produced for the purpose of adding to productiveness of future labour.

[158]

bour; (b) produced for the ultimate purpose of satisfying some want or desire, but actually employed in adding to the productiveness of labour. The phrase, used by so many socialists, that the labourer's strength is his only capital, is according to this definition an economic absurdity. Furthermore, the notion which seems to be firmly rooted in the minds of many socialist orators, that capital is a primary factor in production, falls to the ground. Other economic absurdities of phrase used rhetorically by socialists are meaningless in the light of this definition; for instance, "Capital is the cause of the degradation of the masses," and, "it is capital that knows the secret of how to pluck the pigeons (labourers)."

I have named the factors in production and defined their terms. It is unnecessary in a work of this scope to enter into the detail of commerce and banking, for the detail is dealt with down to the veriest nicety in the thousand and one books published in recent years by writers of various schools of economic thought. All I presume to do is to remind the reader of the factors in production which I believe have to some extent been lost sight of, and to attempt to define clearly the economic meaning of the terms.

It seems to me that this is a fit and proper way to get back to the economic principles which I have no doubt Mr. Schwab has in mind. All the paraphernalia, the litter of detail, which is packed into so many works, so many articles written by socio-economic authors, only confuses the lay reader. A feeling of hopelessness is sometimes produced in the mind of the simple student who has to wade through these works when in search of instruction. I have just heard of the experience of three young men from

two universities, who have been so befogged by their teachers that they have sought advice as to whether it were worth their while spending any more time in attempting to find out what the initiatory processes of production were. I have the greatest sympathy for these young men. They are told about a "competitive" system, forsooth, which exists in a State which practises protection. Worse, they are told about the "competitive" system in a State which favours land-monopoly. It is then not to be wondered at, that their teachers denounce an "individualistic system" where individualism has ceased to exist. How there can be an individualistic age without natural rights is something that has yet to be explained. And so, loose thinking is rampant in the land; it runs through every department of life, from our universities and pulpits, through the counting houses, down to the courts and the labour lodges. To be perfectly frank it seems to me there never was a time in the history of the world, so far as I can learn from the records, when there was so much intellectual chaos in the spheres of economics and politics. This is not a consequence of the war; rather let it be said that the war was a consequence of it.

Yet the prospect is not as hopeless as it seems, for there are three men who have revealed to us in recent years the probability of a new era, or rather the return to the best of an old era. Before the war Henri Bergson in *Creative Evolution* gave us a new interpretation of philosophy. He has swept away all the lumber of the latter day Spencer. *Creative Evolution* marks a return to first principles. In it we have an exposition of the economic of biology. Bergson has laid a new thought foundation of the

essential things of life, and he has laid it firmly. Intellect with him is not the beginning and the end of all things. Intuition is again revealed as the prime moving impulse of our life.

Another man is Franz Oppenheimer, who in his work, *The State*, an epitome of his larger works, reveals a desire to return to first principles. *The State* is undoubtedly the most learned, the most thorough analytical treatise of the growth of the State that has been written. Oppenheimer, holding a high position as an economist in the University of Berlin, has had a singular experience in studying "the leviathan," as Thomas Hobbes called it, at close quarters. Oppenheimer is an optimist. He sees a better condition ahead of us where the land-free labourer will come into his own.

The third man is Dr. Nicolai, who was Professor of physiology at the University of Berlin. He is a Prussian of the kind almost unknown to the people of this day, an opponent of Prussian militarism, and one who protested openly when Germany invaded Belgium. He was incarcerated in the fortress of Graudenz. His book, just published, called *The Biology of War*, is one of the most valuable contributions to the thought of the world which has come out of this strife. It may be called the greatest work on the brotherhood of man that has been written since the Bible. Here again is a return to first principles, and the message of Dr. Nicolai is one of peace and joy. He says:

"How we formulate our morality, however, is no matter; all that matters is that we should bethink ourselves of ourselves and understand that man is an individual unit and at the same time a part of a superordinate organism. Whoever knows this, and realizes it not merely as a truth

which can be acquired, but as a living law in him and a feeling, is a human being indeed and in truth. But whoever does not realize this is no true human being, no matter how much he may outwardly resemble one, or, as Kant puts it, how civilized he may be; for he lacks that essential thing which differentiates man from all other living beings—the feeling of belonging to the *genus humanum*.

“Whoever is a human being at all is also a moral human being. In face of this truth no isolated occurrences have any importance save as phenomena, and so it is with war. If humanity wins, the death-knell of war will have sounded, but only then; for man cannot and will not break his sword in sunder so long as he does not know that a sword has neither part nor lot in the conception of mankind, but is merely a tool to be laid aside like any other.”

I recommend these works to all reformers. The first will enable socialists to correct many of the inaccuracies upon which their doctrines are based, particularly as to their notions of evolution. The second will assist them in arriving at a true estimate of what the State is and how it came into being. The third will teach them the evil effects of compulsion and show that mankind can enjoy natural rights to the full only under a system of *voluntary co-operation*. Let me quote a few more sentences from *The Biology of War*, which we all may take to heart.

“*Virtue can be taught, but only through self-knowledge.* This settles the subjective aspect of the matter, for there is no virtue which is identical for all. Every virtue, like everything else, is dependent upon the individuality of the one. But this subjectivism has its limitations. There is an objective and general principle of virtue that plainly proclaims that it is impossible for a virtue or even a characteristic to develop if the rudiment of it is not present in us. Out of this natural impossibility grows a positive demand. All men should recognize as clearly as possible the powers and potentialities that lie within them and develop them to their highest perfection. The individual man should

consider how or by what means he can accomplish a maximum achievement and best serve mankind. . . . The modern Socratic theory of evolution does not require a man to remain permanently in the place where a rational or irrational destiny has placed him; it desires a man to seek out his place in the world in such a way that it will have meant progress to him."

He says, "When every one of us follows his in-born laws, he in his way best serves mankind." Then he deals with what he calls "the bond between individualism and objectivism," in two striking passages:

"What has been said applies to each one individually, but in a still higher degree to people in general. The latter are naturally more conservative, and it is more difficult to turn them into a new direction, because this requires a uniform variation of the majority. This, however, occurs only in very rare cases. Even the most many-sided nation can and will accomplish useful things only in the direction which conforms to its genius. A nation which attempts all things exhibits no virtue, but dilettantism.

"This principle of the division of labour, which from our present view of nature we accept almost as a matter of course, was vaguely foreseen by the genius of Socrates. It supplies the bond between individualism and objectivism; it permits unlimited individualism, but trains it in the direction of the most useful socialism."

Here we have a statement of the beneficence of a system of voluntary co-operation which is of great value. Unlimited individualism is what is essential if the cause of humanity, the brotherhood of man, is to triumph. That Socialism which is based upon the proposal: that the State shall control all the means of production, distribution, and exchange; for the equal benefit of all; and that the State shall have power to do what it wills with persons, their faculties, and their possessions, is a system of compulsory

co-operation in which the individual is denied natural rights and will become the puppet of the State. Such a system cannot be other than a reversion to the worst form of despotism the world has known.

CHAPTER XIII

THE WAY TO FREEDOM

"We stand in the presence of a revolution,—not a bloody revolution; America is not given to the spilling of blood,—but a silent revolution, whereby America will insist upon recovering in practice those ideals which she has always professed, upon securing a government devoted to the general interest and not to special interests."—WOODROW WILSON, *The New Freedom*. Chap. I, p. 30.

THE future of the Commonwealth is at stake, and the question uppermost in the minds of serious thinkers and earnest business men is what can be done to satisfy the demands of the discontented. They say they have given a fuller pay envelope, shorter hours, pensions, sick benefits, etc., and the workers are not satisfied. They say the more we give the more they want. Of course. Must not that condition follow the method of "giving"? The rise in rent and the cost of commodities and transportation must surely eat up every rise in nominal wage. Can it be otherwise under the present economic and fiscal system? What else then can be done in the way of attempting to satisfy the workers? Well, many are now trying bonus systems, profit-sharing, and co-partnership schemes. And what success will they have? None. They may allay the fever of unrest for a while, but that is all. For the economic

and fiscal systems remain. Nothing will have been done to check the rise in rent and the cost of commodities and transportation. Anyway one has only to glance at the condition of Britain to find a very definite hint thrown out to those who imagine such "sympathetic schemes," as bonus, profit-sharing, co-partnership systems in industry, will be permanently effective. Here is an excerpt from the speech of Mr. J. H. Thomas, M.P., general secretary of the National Union of Railway Men, delivered before the great conference of representatives of labour and capital held recently in London:

"The organized workers of Great Britain have made up their minds to obtain for themselves an increasing share of the wealth which their labour has produced and produces. The workers of the threefold organization are determined to shorten materially the hours of labour in their respective industries. They are dissatisfied with the system of society which treats their labour power as a mere commodity to be bought, sold and used as though they were machine-like units in the process of wealth, production and distribution, and they, therefore, demand that they shall become real partners in industry, jointly sharing in determining working conditions and management. Labour has become increasingly alive to its sovereign power and will shirk no responsibilities and will be denied none of its rights and privileges. The miners, railway men and transport workers stand unalterably for the ownership by the state of the mines and railways and the means of inland and coastal transport. . . . The workers have resolutely set their faces toward some order of society which will improve their lives and conditions in accord with the new valuation they have set upon themselves. No longer are they prepared to content themselves with every wage advance being thrust upon the consumer, and consequently cancelling every improvement instantly and automatically. Rent, interest and profits are not inviolate. Statesmen of every party must make up their minds that there is going to be a drastic change. Wise men will allow and provide for it. Others

[166]

will be convinced only by the compelling power of events. In every country we see the workers seeking changes. We in this country may be able to see these changes brought about peacefully and orderly. The present discontent is not the work of agitators. It is the product of age-long experience accelerated by the developments of the war. We, therefore, ask the government to use its influence in the direction indicated. The organized working people want redress for their manifold grievances, and, moreover, they want something like immediate redress."

That is the condition there after decades of "sympathetic schemes." Now Mr. Thomas is no rampant agitator. He is a particularly intelligent industrialist of the finest British type. He not only knows the conditions of labour, he knows the attitude of mind of British landlords and capitalists. He knows what has been tried, and he knows thoroughly well that all expedients have failed. It must not, however, be imagined that he spoke for himself. The speech was the statement of the demands of the triple alliance — the miners, transport and railway men. Still, whether for himself he would ask all the speech demands, he surely hit the nail squarely on the head when he pointed out the futility of raising nominal wage. He said: "No longer are they prepared to content themselves with every wage advance being thrust upon the consumer, and consequently cancelling every improvement instantly and automatically." Here we are forcibly reminded of the fact that the producer is a consumer, and that under this system each benefit given to the producer is wrested from the consumer. It is only another way of playing the game of the protectionist, which in the end results in the stupid business of robbing the consumer, Peter, to pay the producer, Paul. But in Britain no trade union would think of voting

for protection. The lesson of protection, however, is not yet learned by the American working man; nor is it really known to the American manufacturer. Results count with the latter and nominal wage with the former. Results have certainly been magnificent, while nominal wage has purchased less and less. But the time is come when the consumer's voice is heard above that of the producer. It was easier to live in New York on twelve dollars a week in the '80s than on twenty-five now. Then there was more and better food, clothing, and fuel, and rent was certainly far lower. What then has been accomplished for the general good by all the protection? Look where you may, the results have benefited only a comparatively small number of families. Has the revenue collected at the ports been sufficient to pay the salary of the officials and clerks in some of the departments? Scarcely. Income tax and other direct taxes on wealth prove how utterly inadequate are the indirect taxes.

The elder Pitt declared, in the House of Lords, that the proposal to raise the Income•Tax to 7d. in the pound would cause a revolution. "But," he added, "you can get the money by an easier method. By the method of indirect taxation, you can tax the last rag off a man's back, the last mouthful of food from his mouth, and he won't know what is injuring him; he may grumble about hard times, but he will not know that the hard times have been produced by taxation." That was the way Pitt went to work. Nowadays there is no fear of revolution in the ranks of big income tax payers. The position is reversed. It is the indirect tax payers who are now in revolt. And now that American protectionists have enjoyed Pitt's methods for a generation or two, the revenue

returns show how absurd it is for us to tolerate the system for another session. Yet the leaders of one of the historic parties are committed to protection, and look forward to the day when they will have the power to increase the present tariff. The leaders of the other historic party favour a tariff for revenue purposes only while they cry out for billions in tax and billions in loans. And no one seems to understand that all taxes on wealth can be shifted; no one seems to be aware that, with all the super-taxes, profit taxes, excess profit taxes, the rich are not really less rich. Do our tax masters imagine that the billions collected have increased the welfare of the millions of workers? Or is it too much to expect Treasury officials to heed the economic incidence of fiscal measures?

Mr. Scott Nearing tells us there are 67 people in the United States who make an income tax return of over \$2,000,000 a year each. The gross income of the 67 amounts to \$292,845,112. This shocks him, and he calls the recipients "parasites." But what would he do? Suppose the limit of confiscation were practised by the Government, and the 67 were exploited to the last cent, who would benefit? He says, "the 67 did not produce more than the tiniest fraction of the vast income they received." Suppose that were true, what would Mr. Scott Nearing suggest as a sure method of ascertaining what they did produce? Does he know of any sure way of determining an economic classification of the proceeds of the 67? The Treasury return shows, according to his figures in the *New York Call*, that besides their salaries 6 millions come from rents, 21 millions from interest, 84 millions from profits, and 178 millions from dividends. The usual bu-

reaucratic classification which reveals anything and everything superficial, and hides the vital matter of monopoly value! But why complain so much about 67 persons enjoying comparatively little from interest and dividends, when so many of his friends would in nationalizing land, mines, oil, railroads and canals, on a purchase basis, create a vast interest receiving class? Indeed Socialism may very easily begin its career by making the bond-holders more secure than they are at present. Surely there can be no satisfaction for sentimentalists in merely increasing the number of recipients of interest. That will not alter the economic system. The "poor widow on the back street" will get less perhaps than she gets today. We must, of course, think of the poor widow, but not get sentimental about her. She has never grown fat on sentiment. It is hard practical common sense that she wants. And I am sure she, of all the poor, would heartily agree that sentiment is the only enemy of the ideal.

Mr. Scott Nearing evidently disapproves of the gross inequalities of wealth distribution. But the treasury returns, though they too indicate the inequalities, are as silent as he as to the cause. Now the cause is not far to seek. Though monopoly value is not now of Federal tax concern, it is most assuredly one which directly concerns each state and directly affects each municipality. The tax is everywhere low and under-valuation is notorious. Compare the way the Federal Treasury goes to work to ascertain the sources and amounts of income, the quantities and values of dutiable imports, and the burden of tax they impose, with the way the State and municipal treasury officials ascertain monopoly values and tax them; then ask why in the latter case

leniency should as a rule be extended, and in the former the strictest severity shown? It would seem, fiscal authorities imagine that nothing is worth taxing for revenue purposes but income. And has the Government no other fiscal duty to regard seriously but that of collecting some revenue? Is that all? Has not the Government a far more important fiscal duty to perform: that of collecting revenue from a source which does not reduce purchasing power, but which stimulates production, and makes for a more equitable distribution of wealth? Taxes on the full monopoly value of land will not reduce purchasing power, and they may be imposed in lieu of taxes on wealth which do have that effect. Taxes on the full monopoly value of land must stimulate production, for land not used, and land under-used, will be forced by the tax into use. This will alter the whole system of production by bringing landlords into competition with one another to find land-users. A tax on the monopoly value of land cannot be shifted, for the tax will force rent down. Competition, therefore, beginning at the source of production must beneficially affect the labourer, raise his wage, lower the cost of commodities, and remove the irregularities in the distribution of wealth. And this system of taxation will very soon reveal what is rent, what is wages, and what is interest. It will simplify the classifications, and relieve the Government of the enormous cost of an army of officials at the ports and in the cities and the towns. This would be a very practical way of getting rid of any number of "parasites." Certainly droves of political "parasites" would be forced into the producing class. The scheme ought to have the attention of Mr. Scott Nearing, for he must be quite impartial in his

dislike of "parasites." Moreover, the fiscal system which will rid us of the one political set will rid us of the other. Will something be done? Or must we wait until the Governors and Mayors assisted by the Department of Labour have dealt with the mighty problem of "Bolshevism"? Must we who are deeply concerned in the future of the Commonwealth see the policy of the Norths, the Pitts, the Castle-reaghs, and the Jeffreys undermine the last stone in the foundation of America? Is not that what it all amounts to — this business of governing by conclave? But where are the defenders of natural rights? What action at this time are Mr. Root, Mr. Butler, and Mr. Hill taking to defend the principles they admire in Spencer? Who besides Mr. Schwab demands true democracy and a return to economic principles? It is really an amazing state of affairs when America of all countries in the world seems bent on pursuing a negative policy at a time like this. We ought to know what that policy has done for Europe.

! Now natural rights must be restored if we are not to share Europe's fate. It is the only positive reply to be made to all who favour compulsion — Socialists and Tories alike. By restoring natural rights we shall reset the old foundations and rebuild the best of our institutions, so that America may again open her gates to all who love liberty.

BIBLIOGRAPHY

- WILLIAM STUBBS, *Constitutional History of England*.
EDWARD A. FREEMAN, *The Growth of the English Constitution*.
JOHN RICHARD GREEN, *A Short History of the English People*.
HIPPOLYTE-ADOLPHE TAINE, *History of English Literature*.
SIR THOMAS MORE, *Utopia*.
THOROLD ROGERS, *Six Centuries of Work and Wages*.
GEORGE GROTE, *History of Greece*.
HERBERT SPENCER, *The Man versus The State*.
SIR HENRY MAINE, *Popular Government*.
HENRY GEORGE, *Progress and Poverty*.
W. E. H. LECKY, *Democracy and Liberty*.
J. L. HAMMOND AND BARABARA HAMMOND, *The Village Labourer and the Town Labourer*.
MAX HIRSCH, *Democracy versus Socialism*.
KARL MARX, *Capital*.
GUGLIELMO FERRERO, *The Greatness and Decline of Rome*.
PROFESSOR VON BOEHM-BAWERK, *The Positive Theory of Capital*.
GEORGE BRANDES, *Ferdinand Lassalle*.
GEORGES SOREL, *Reflections on Violence*.
SIDNEY WEBB, *Socialism in England*.
WOODROW WILSON, *The New Freedom*.
JOHN SPARGO, *Socialism*.
FRANZ OPPENHEIMER, *The State*.
HENRI BERGSON, *Creative Evolution*.
G. F. NICOLAI, *The Biology of War*.
W. ROMAIN PATTERSON, *The Nemesis of Nations*.
G. SLATER, *English Peasantry and the Enclosure of Common-Fields*.

APPENDIX

“Our own people, whose mineral resources will by that time have greatly diminished, must find themselves thrown back upon the soil for a living. If continued abuse of the land should mark the next fifty years as it has the last, what must be our outlook? . . . Not only the economic but the political future is involved. No people ever felt the want of work or the pinch of poverty for a long time without reaching out violent hands against their political institutions, believing that they might find in a change some relief from their distress. Although there have been moments of such restlessness in our country, the trial has never been so severe or so prolonged as to put us to the test. It is interesting that one of the ablest men in England during the last century, a historian of high merit, a statesman who saw active service, and a profound student of men and things, put on record his prophecy of such a future ordeal. Writing to an American correspondent fifty years ago, Lord Macaulay used these words:

“As long as you have a boundless extent of fertile and unoccupied land your labouring population will be found more at ease than the labouring population of the Old World; but the time will come when wages will be as low and will fluctuate as much with you as they do with us. Then your institutions will be brought to the test. Distress everywhere makes the labourer mutinous and discontented and inclines him to listen with eagerness to agitators who tell him that

it is a monstrous iniquity that one man should have a million and another cannot get a full meal. . . . The day will come when the multitude of people, none of whom has had more than half a breakfast or expects to have more than half a dinner, will choose a legislature. Is it possible to doubt what sort of legislature will be chosen? . . . There will be, I fear, spoliation. The spoliation will increase the distress; the distress will produce fresh spoliation. . . . Either civilization or liberty will perish. Either some Caesar or Napoleon will seize the reins of government with a strong hand, or your Republic will be as fearfully plundered and laid waste by barbarians in the twentieth century as the Roman Empire in the fifth."

"We need not accept this gloomy picture too literally, but we have been already sufficiently warned to prevent us from dismissing the subject as unworthy of attention. Every nation finds its hour of peril when there is no longer free access to the land, or when the land will no longer support the people. Disturbances within are more to be feared than attacks from without. Our Government is built upon the assumption of a fairly contented, happy, and prosperous people, ruling their passions, with power to change their institutions when such change is generally desired. It would not be strange if they should in their desire for change attempt to pull down the pillars of their national temple. Far may this day be from us! But since the unnecessary destruction of our land will bring new conditions of danger, its conservation, its improvement to the highest point of productivity promised by scientific intelligence and practical experiment, appears to be a first command of any political economy worthy of the name."—JAMES J. HILL, *The Natural Wealth of the Land and its Conservation*, Conference of Governors, 1908, Record of Proceedings.

[176]

THIS BOOK IS DUE ON THE LAST DATE
STAMPED BELOW

AN INITIAL FINE OF 25 CENTS
WILL BE ASSESSED FOR FAILURE TO RETURN
THIS BOOK ON THE DATE DUE. THE PENALTY
WILL INCREASE TO 50 CENTS ON THE FOURTH
DAY AND TO \$1.00 ON THE SEVENTH DAY
OVERDUE.

SEP 22 1934

~~2 NOV 51 LU~~

5 NOV '61 LU

MAY 11 1939

REC'D LD

JAN 24 1941

NOV 5 1931

10 Mar '49 LU

DEC 6 1979

1 May '51 WK

REC. CIR. JUN 6 1979

16 Apr '51 LU

NOV 17 1985

11 Jan 52 WK

REC. CIR. NOV 20 1985

20 Mar '56 WK

MAR 18 1956 LU

SEP 01 2004

JUN 01 2005

25 MAY '60 REC'D LD

JUL 23 2006

MAY 25 1960

YB 07028

GENERAL LIBRARY - U.C. BERKELEY



8000836005



